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Penjana: Employers urged to utilise financial aid to ensure workers' wellbeing

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Malaysian Employers Federation (MEF) executive director Datuk Shamsuddin Bardan said employers who received the financial aid should not deviate from its objective, that is to encourage employment and save jobs. — Reuters pic

KUALA LUMPUR, June 8 — Employers' integrity and sincerity play an important role in ensuring holistic and fair management of the financial aid allocated by the government under the National Economic Recovery Plan (Penjana).

Malaysian Employers Federation (MEF) executive director Datuk Shamsuddin Bardan said employers who received the financial aid should not deviate from its objective, that is to encourage employment and save jobs.

“The initiative is to help companies to stay afloat during this challenging situation of Covid-19, but most importantly, to enable them to keep their workers. Employers must be sincere and not retrench their workers

despite getting the aid.

“Furthermore, if we lay off our well-trained workers and the economy bounces back later, the company will have to recruit new workers and train them. All these processes will cost money,” he told Bernama.

Shamsuddin also said that it was only right that the government trusts the employer or company in managing the aid without having to set up a monitoring body to monitor it, and with action can still be taken through existing mechanisms against the errant employers.

“For example, an employer may name 100 workers to receive a salary subsidy under the aid allocation, but if the employer is later found to have retrenched one or some of the workers, it will be an offence. In this case, the Social Security Organisation (Socso) through its Employment Insurance Scheme (EIS) can take action against the company,” he said.

Meanwhile, Shamsuddin also described the initiatives featured in Penjana as the right move to stimulate the economy, especially the tourism sector which was the most affected by the Covid-19 pandemic.

Among other related challenges is the low demand for goods and services as the people are not so sure of spending their money especially when their jobs are not so secured amid this economic uncertainty.

Economic analyst Baayah Baba, on the other hand, said the factories or the manufacturing sector should make optimal use of the financial initiative to keep afloat, if not bounce back, from the effects of the Control Movement Order (MCO) to curb Covid-19 in the country.

She said the expansion of the extension of the wage subsidy programme for a further three months to September which was set at RM600 per employee per month for up to 200 workers per company was very practical to help employers manage their workers' salaries.

“During this economic uncertainty, we can see that people are spending more on necessities rather than buying furniture for example, so when the government announces this financial initiative, the affected sectors need to take the opportunity to revitalize their businesses.

“I believe the initiative will help employers continue to employ and pay their workers' salaries. I believe with this effort, companies can recover their sales and launch corporate management,” she said.

Nevertheless, Baayah said employers who receive the aid from the government need to be honest and transparent in order to help stimulate the country's economy.

Last Friday, Tan Sri Muhyiddin Yassin unveiled the employee-related initiatives, which include the extension of the wage subsidy programme for a further three months with an allocation of RM5 billion and the re-introduction of the employee recruitment incentive programme (RM1.5 billion) under Penjana, which will benefit three million workforce in the country.

The Prime Minister said, according to the Malaysian Statistics Department on May 14, the rate of unemployment in the country is expected to increase to 5.5 per cent or more than 860,000 jobless persons this year.

The two programmes, which will run until December 2020, will see youth receiving an allowance of RM600 a month, unemployed below the age of 40 to receive RM800 a month, unemployed above the age of 40 to receive RM1,000 a month, and the unemployed person with disabilities (OKU) to receive RM1,000 a month, all for a maximum period of six months. Also provided is a training allowance of RM4,000 for those who have lost their job during the MCO. — Bernama