

MEF: Challenging year ahead



PETALING JAYA: The coming year will be challenging for big companies which could even see some organisations retrenching their staff and ceasing operations, said Malaysian Employers Federation (MEF) executive director

Datuk Shamsuddin Bardan.

"In fact, if any of the big companies or organisations is able to survive the recession year and maintain their employment, I would say it is something good enough for them.

"This is because the prospect for 2016 is not that encouraging as even the World Bank and International Monetary Fund (IMF) have predicted that 2016 will be a recession year," Shamsuddin told *theSun* when contacted recently.

Asked if retrenchment is a viable solution for companies and organisations in reducing their high overhead costs, Shamsuddin said retrenchment should be the last option.

"Bigger companies or organisations should first try to reduce their expenditure cost like reducing their water and electricity bills or over time payment, instead of directly retrenching their staff which should be a last resort when all other measures have failed.

"Alternatively, they could also discuss the option of a lower or new pay scale," he suggested.

Shamsuddin explained that this could be a good way to retain staff instead of opting for retrenchment and having to recruit and train new staff when the economy picks up.