

Cheaper labour, but local workers not easy to attract



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Employers must bear the recruitment fees up to RM15,000 to RM20,000 per foreign worker

by NUR HANANI AZMAN / pic by ARIF KARTONO

THE cost of hiring foreign labour spikes higher after the government introduced various measures like adequate housing and multiple Covid-19 screenings on top of existing costs.

As a matter of fact, Malaysian Employers Federation ED Datuk Shamsuddin Bardan said it has never been cheap to hire legal foreign workers as the recruitment and related costs are indeed much higher than hiring locals.

“Hiring locals means that employers will not have to pay the costs of recruiting foreign workers.

“However, despite all the efforts made to hire locals, employers could not attract them in sectors like plantation, agriculture, construction and some parts of manufacturing,” he told *The Malaysian Reserve (TMR)*.

Shamsuddin said employers must also bear the recruitment fees, previously paid by foreign workers to recruit the source countries, up to RM15,000 to RM20,000 per worker.

Not only are foreign workers filling in the needs of economic sectors that failed to attract locals, but they also have good attendance records, rarely take sick leave and have no other related issues, he added.

However, he stressed that foreign workers are hired for limited fixed terms and employers need to constantly replace those who do not wish to stay longer.

The costs will be higher as employers need to keep training new ones.

"The government introduced initiatives to attract Malaysians but statistics show that thus far, less than 500 locals were hired to replace foreign workers.

"With a 4.9% unemployment rate, there are more job vacancies registered in the MYFutureJobs portal than job seekers," he said.

However, Malaysian Trades Union Congress president Datuk Abdul Halim Mansor said hiring foreign labour is still relatively cheaper due to some exemptions and discounts.

He said additional costs due to Covid-19 is an employer's responsibility and it does not mean that they do not have to pay if they hired locals instead.

"There is still a high number of foreign workers in Malaysia and that shows our dependence on them, which is not something to be proud of.

"I suggest the government introduce a policy where to employ one foreigner, an employer must hire five locals," he told *TMR*.

Abdul Halim said companies across various sectors must invest more in technology to wean the country off its dependence on cheap foreign labour and at the same time, provide high-skilled job opportunities to locals.

"We need to change the narrative. If we are going to find the best and brightest minds and truly push technology to its fullest potential, we must rebrand a few jobs to attract locals.

"For example, we could rebrand 'janitor' to a hygiene or health officer," he said.

To address unemployment among graduates, Abdul Halim suggested the government set up a national labour field to produce trained workers.

He said it is not easy for the nearly 500,000 graduates yearly to enter the job market as employers often look for someone with experience.

"These graduates must register with the Education and Human Resources Ministries and work in any available job as a national service with a minimum wage.

"After a year, they will come out with certificates and testimonials as trained workers that could improve their employability."