

**By Datuk Dr. Syed Hussain Syed Husman, Co-Chair PEMUDAH Technical Working Group on Human Capital cum President, Malaysian Employers' Federation (MEF)**

Economic sectors are opening up and soon the job market will also be revitalised but we must remind ourselves that the Malaysian economy is predominantly small and medium enterprises (SMEs) and MSMEs or micro SMEs (98 per cent) even though we also have the large corporations and business enterprises.

Over the last two years, many of these small and medium sized businesses were faced with hardship forcing many across all sectors in the economy to close. As statistics disclose, the SME community generally operates with a three to four months cash flow.

Many closed when the COVID-19 pandemic broke out and took hold of the world by surprise.

We have a manpower issue and why did it arise? Many of these small companies could not survive leaving many unemployed. Then there are some companies which consolidated and discussed with their employees to take a pay cut if they wanted to stay on. The number of unemployed people was also contributed by companies which kept a certain percentage of people. In the case of foreign labour unemployment; many had to return to their respective countries but could not find their way back to Malaysia.

We have been fighting very hard for the government to open the economy as that is the only way to survive and generally Malaysians have been good in following the necessary vaccination requirements.

But now we have a volte-face. As we open up the sectors, the manpower issue has resurfaced and the tough search is on but many experienced people were released through various exercises of reduction, downsizing and right sizing. A lot of them have gone into the Gig economy and become Grab drivers and riders. The new work flexibility coupled with spending more time with family has become a more appealing lifestyle.

Tourism was more hard hit than the other sectors namely plantations, construction or manufacturing and as a result will take a while to return to the pre pandemic positions with the loss of skilled employees from hotels.

Work from home will be here to stay and we have advised employers that is a new norm. We are looking at how to expand the scope which include Industrial Relations Act, Employment Act. Employers will have to recognise this flexibility. With job targets in place, employees can continue to do well even within a hybrid position.

The Technical Working Group on Human Capital in PEMUDAH is looking to balance the demand and the supply of workers at optimal costs and it also supports national education attainment to meet the needs of industries for skilled human resources capable of raising productivity and global competitiveness. Malaysia Productivity Corporation, PEMUDAH's secretariat, is dedicated to facilitating this initiative.

The minimum wage ruling has turned into an emotional issue as many do not realise that we are not objecting to a salary increase.

We must be reminded of the trying times we all experienced during the MCO period when friends lost jobs and neighbourhood businesses going bust. This was followed by the worst floods the country had seen in decades.

The government needs to address the current funding needs of SMEs to build back the economy. Foreign labour is also greatly needed in order to get the engines of growth moving. Contrary

to belief, it costs three times more to hire a foreign worker for a position due to the mandatory levy as well other pandemic-linked costs.

In the new normal, upskilling or skills upgrade through Technical and Vocational Education and Training (TVET) is important and must be made easily accessible. At the same time, using the Australian model, there is also a need to address the dozens of baristas which have sprouted in almost every corner by way of a proper accreditation to ensure that the calibre is maintained. It may be a long journey but we must start otherwise they may lose out to the erstwhile foreign workers.