

# Evolution of foreign worker in malaysia



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Decades earlier, the movement of people from one place to another exist always. Pending their own reasons or motive, people have been moving for centuries from one place to another in order to continue their survival. To date, immigration amongst different countries is no longer a new phenomenon. At the time of world war, many inhabitants were displaced to other nation due to man-made and natural disasters. Until now, the phenomenon still exists which are primarily driven by poverty in their home country. Thus, there are both pull and push factors behind the migration of labour. The situation applies to Malaysia population as well.

Multi-ethnic population in Malaysia demonstrated the long history of migration. About 40 per cent of its 26 million people are of immigrants. Due to its geographical location at the crossroads of Southeast Asia, Malaysia had for centuries been open to traders and travellers from the East and the West (Zahid Zamir. 2006). It is during the time of late nineteenth and early twentieth centuries that the inflow of foreign workers especially from the Indian subcontinent, China and Indonesia started to come into Malaysia.

During the time of British colony, our country confronted with serious labour shortage. A solution has been taken to import the cheap labour resources from India and China to work in tin mines, rubber plantation and infrastructure development. In that period, these immigrant workers contributed cheap as well as adequate supply of local work force when local workers either found not suitable or interested in working under the same harsh conditions faced by the immigrant labours (Zahib Zamir, 2006). With the incoming foreign workers especially from China and India to work in the

plantations, mines and the construction sectors, an alien community has formed before the independent of 1957.

After gaining independence in 1957 and the establishment of the periodic 5 year Malaysia plan, the increasing population has prompted the country to put emphasis on housing need. As the construction industry outgrow the general economy, labour shortage were particularly acute in many indispensable trades such as concreting, carpentry, bricklaying, painting, tiling, bar bending, and plumbing by the late 1980s and 1990s (Abdul-Aziz, 1995). Phenomenon where local worker markets could not provide sufficient needs happen on that time. The agriculture sector was the first to experience labour shortage and followed by the construction and manufacturing sectors. Foreign workers from neighbouring countries seek employment as workers in these sectors (International Migrations in Malaysia, 27 Nov 2006). Basically, foreign workers who involve in construction industry come from different nationality such as Indonesia, Bangladesh, Philippines, Thailand, Pakistan and others.

To date, the presence of foreign workers in Malaysia has become a norm. It is an immediate measurement to solve the labour shortage problem. The foreign workers has become part of Malaysia society as the demand for workforce is growing and poor work environment and image are accelerating existing workers to leave the construction field. In the recent time, foreign workers being largely absorbs to work in tight labour market conditions and low paying fields such as construction industry.

Both developed and developing countries are apt to prohibit foreign worker from being legally employed for the purpose of limiting the number of illegal entrants to protect their domestic labourers. Foreign worker are allow to be employed in selected sectors such as plantation, manufacture as well as construction industry with specify limitations and regulations.

## **2.3 BASIC DATA ON FOREIGN WORKER**

According to Economic Report 2004/2005, total number of foreign workers rose from 4% of total employment in 1990 to about 10.7% in 1997 and 9% in 2001. As at July 2004, there are about 1.3 million registered foreign workers, constituting 12% of total employment in the country. Foreign workers have steadily increased in number over the past two decades and they have become a key part of the economy for most of the countries. However, for various reasons, the Government and the employers - both small and big - have tended to down play the importance of foreign labour in the country's development.

The primary objective of foreign worker to come and work in Malaysia was to make some fortune and return their home after some time. Combination of factors including the unattractiveness of manual construction work to local youths, an expanding manufacturing sector that offer better employment conditions, labour attrition, increasing opportunities for tertiary education, a lower birth rate and out-migration of Malaysia workers to high wages country such as Singapore and Japan have make the foreign worker become vital component in construction workforce in Malaysia (Abdul Rashid, Abdul Aziz, 2001). Local people are no longer able to sustain the demand and needs of

construction industry (Azian, 2004). In order to maintain the rapid expansion of construction industry, foreign workers is the option to fulfil the needs.

According to statistic on regularized foreign workers (Figure 2. 1), it indicates that construction sector is the most active in utilizing foreign worker.

According to Ahmad, 1996, the Malaysia construction industry has relied on foreign work force since early of 1980s. An estimated 60% of manual workers in the construction industry were foreign nationals in 1987 (Gill, 1988), a figure which increase to 70% in 1991 (Pillai, 1992) and then 80% in 1995 (Balaisegaram and Pillai, 1996). Since then, the local apprentices shed away from working in construction industry as they feel that working together with these migrant workers was not conducive. Furthermore, the shortages of construction workers was largely rooted from such well-known causes such as poor image, uncertainty in career path, lack of training and education, declining wages, poor work environment, and the transient nature of construction workers. All of the reasons above have caused large proportions of foreign workers in Malaysia construction industry. The growth of foreign worker in construction industry is continuing.

Figure 2. 1 Number of regularized foreign workers by nationality (July 1992-December 1995).

(Source; Immigration Department, as quoted in Kassim (1996))

From the statistic of Annual Labour Force Survey conducted by the Department of Statistics, it indicates that the number of legal foreign workers in Malaysia rose to 1, 359, 632 as at July 2004. Foreign workers are employed in all major sectors of the economy, with manufacturing

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accounting the largest share at 30.5%, services (25%), agriculture (24.7%) and construction (19.8%). These workers are normally employed in jobs critics label the 3D that is dangerous, difficult and dirty. In others words foreign workers are employ in position where local refused to do.

Figure 2. 2 Percentages of Legal Foreign Workers in Malaysia by Country

(Source: Annual Labour Force Survey, Department of Statistics)

From the Figure 2. 2 above, majority of foreign workers are from Indonesia, averaging 66.5% of total foreign workers, followed by Nepal (9.2%), Bangladesh (8.0%), India (4.5%) and Myanmar (4.2%). By viewing the steadily rose amount on foreign workers, the Home Minister Datuk Seri Hishammuddin Hussein had announced that the government plans to reduce the number of foreign workers to 1.5 million in three years.

MCA president Datuk Seri Dr Chua Soi Lek had recently called for the government to conduct a comprehensive study of the country's dependence on foreign labour. Dr Chua noted that the country's local labour force was not sufficient to maintain local industries despite the government's ambitious plans for a high-income economy under the New Economic Model. Hence, the strategy of government to reduce Malaysian dependency on foreign workers will be done after a long run. As long as there is unlimited supply of foreign workers, employer will continue rely on them to their advantage.

## **2. 4 ADMISSION OF FOREIGN WORKER IN MALAYSIA**

Certain criteria and process have to be observed by foreign workers for entry into Malaysia. Started from 1 August 2005, application for foreign worker is submitted to a One-Stop Centre located in the Immigration Department of Malaysia. There are two types of migrants in Malaysia that is temporary migrants and permanent migrants. For those foreign workers that come into Malaysia in a specified period with single entry visa from Malaysia Embassy abroad, they are considered as temporary migrants. Initially, foreign worker is allowed to work for 3 years only and upon application be extended from year to year to the fifth year. For extension after fifth year, employer must obtain declaration from National Vocational Training Council (NVTC) or Construction Industry Development Board (CIDB) that the particular worker is a skilled worker.

Basically, foreign workers are recruited to act as construction workers in the construction industry and work predominantly on construction sites and are typically engaged in aspects of the industry other than design or finance (Wikipedia, the free encyclopaedia). The job application of foreign workers includes bricklayer, carpenter, concrete finisher, fencer, labourer and etc. Foreign worker who wish to extend working period in Malaysia must obtain either Malaysian Skills Certificate level I & II or Skilled Workers Certification from NVTC or Skills Proficiency Certificate or Skilled Foreign Workers Certification from CIDB.

## **2. 5 REASONS CAUSE THE INFLOW OF FOREIGN WORKER TO MALAYSIA**

There are several factors that attract foreign workers to work in Malaysia. First and foremost, Malaysia is attractive to foreign workers because of its better economic performance and prospective. Most of the foreign workers are come from our neighbouring countries such as Indonesia, Thailand, Myanmar and Vietnam. It is a reality that the standard of life quality over their hometowns is much lower in Malaysia. In such countries, the populations are much higher with limited job opportunities. The respective country where foreign workers come from is still under developing and some of them live in poverty. Due to greater industrialised and improvement of economy in Malaysia, there has been a massive rural-urban migration drift, which in turn lead to a serious shortage of workers. Hence, foreign worker was attracted to work in Malaysia.

As a multi-lingua and cultural country, the multi-ethnic people in Malaysia mainly from Malays, Chinese and Indians can live together in a harmony lifestyle. This is the second pull factor to foreign workers to work in Malaysia as they feel that Malaysian are helpful, kind, friendly, cooperative and tolerate. Different with other country, the political and economic stability in Malaysia is also one of the factors tempting the inflow of foreign workers. As we all know, the policy regarding to foreign workers in Malaysia is fair and liberal, the country choose by foreign workers due to its pleasant moderate climate, open and liberal atmosphere. For foreign workers, Malaysia is heaven for them to work along with.



Malaysia holds a better prospect for future of foreign labour because it is a fast developing and progressive nation. According to A. Namukundam (2002), the accelerated economic development programmes and the sustained high economics growth rates in Malaysia caused the influx of foreign workers to meet the increasing demand in Malaysia labour market. The demand for foreign labour is increase continuously in tandem with economic progress.

## **2. 6 ELEMENTS THAT CAUSE THE EMPLOYMENT OF FOREIGN WORKER IN CONSTRUCTION INDUSTRY**

It is too broad to identify each of the reason that responsible for the incoming foreign worker in construction industry. Among the reasons of the local construction industry to employ foreign worker in construction industry are as below:

### **2. 6. 1 Shortage of workers especially in the 3D jobs (dangerous, dirty and difficult)**

In the point of view of local citizen, they consider and known construction job as 3D's job. The first D refers to dirty, secondly is dangerous and last is difficult demeaning. For Malaysian, they normally prefer easier job. Job offer from construction except with professional knowledge and skill are becoming unpopular among the working population. Basically, foreign worker is place in lower end and heavier kind of job. There are only few participants of local people to be involved in construction sector. When given a choice, locals prefer to work under comfortable environment such as white collar work rather than work under the unstable weather.

In this era of technology and industrialization, the job such as site supervisors, contractors, foreman, or general worker been regarded as tough and risk-prone. This is because the construction project will not limited in landed property, somehow, high rise property might be construct. Thus, in the mind of locals, construction work place is much more dangerous and accident rate is higher over site when compare to other industry.

The working condition in construction industry also poor compare to other job scope such as in service sector and manufacturing sector. The construction industry does not provide a good image in front of locals. The poor image of construction industry include absence of job security, lack of management, lack of opportunities for career advancement has make local citizen decline to join the construction line.

### **Foreign workers offer cheaper wages**

For employers in construction industry, they are allow to recruit foreign worker once they proof that effort have been done to recruit local but they are fail at last. As long as the foreign labour is allow entering and work in Malaysia, the employers can easily bring them to fill up the job deficiency in construction sector. It is obvious that employer can select their workers amongst locals or foreigners. Be realistically, most of the employers are cost-conscious. MTUC president Zainal Rampak stated that employers were more inclined to hire foreign worker who were prepared to accept low wages. Foreign worker offer much lower wages compared to locals. Beside than inexpensive, the foreign workers also possess some basic skill in construction and will work in accordance with discipline and working hard.

Therefore, most of the employers in construction industry will have preference on foreign worker.

### **Foreign workers willing to work for longer hours**

Foreign workers are the one who will accept both cheaper wages and worse term and conditions of employment, as their purpose is earn much money in shorter time frame. From the opinion of employer, the newly arrival labour willing to accept lower wages and less attractive work conditions (Michael, 2001). They being paid lower even they perform the same job as locals do. Sometimes they even perform longer hours of working time than local without blaming on it.

Addition, Local Authorities Employees Association Chairman Abdul Rahman Mahad added that besides getting cheaper labour from foreign workers, employers also hired such workers as they were ready to work longer hours (The Star, 05 August 2004). According to Tey (1997), it is believed that they are no real shortages but employers prefer aliens especially illegal ones because they can easily be exploited as they have no resource to justice in front of law. As a conclusion, the employers who willing to recruit foreign labour were interested in lower wages and the hardworking character of foreign workers.

### **Foreign worker easy to recruit**

There are only minimum requirement to be fulfil by foreign worker to take part in Malaysia construction industry's job. For foreign worker, only those who have passed the Induction Course and recognised by NVTC will be allowed to be brought into Malaysia. The Foreign Workers Orientation Course

in Malaysia is a course that compulsory for all foreign workers brought in between 1/1/2004 and to date (M. Vivekanandan, 2008).

After gone through the course, employer must ensure that foreign labour is insured with an insurance company appointed to the panel of Foreign Workers Compensation Insurance Scheme (SPPA) which under Workmen Compensation Act 1952. For requiring of additional foreign labour, the employers need Certificate of Registration of Foreign Worker under section 60K of EA 1955. After all the cost included had been paid by the employer and the foreign worker is allow to work in Malaysia with condition that he must pass the test on FOMEMA by registered clinic.

### **Friends or relatives work in construction industry**

Aside from recruiting of foreign workers through Agent Company, there are some of the companies employing them through introduce of existing foreign workers at construction site. Some of the foreign workers being employ to Malaysia because of the relationship between relatives and friend. The working condition in their hometown is limited with job vacancies. Most of the foreign workers working in Malaysia with the reason to reunion with his family and meet their friends because mostly from them choose to work in other place such as Malaysia rather than stay in their hometown. This subsequently made the other foreign workers to choose Malaysia as the place they hope to go and work. Apart from that, local construction industry willing to employ them because they can save on the introducer's fee and at the same time, they can recruit a well behaved foreign workers because the existing recognise relationship such as friends or relatives.

## **Plentiful job vacancies on site**

Although in the opinion of locals that the wages paid off by construction industry in Malaysia is considered as low and insufficient, it is in the viewpoint of foreign that the basic salary that they gain in working in Malaysia is high. Due to greater industrialisation, urbanisation of economy and higher education levels, the general youth in Malaysia community always complain and dissatisfied with the income if they work in construction sector.

For locals, they will only take part and work in construction sector if they are recruiting as project manager, site engineers, architects and so on who earn higher income. This situation creates a lot of job vacancies on site, foreign workers has been recruited to fill the empty space. From site coordinator, carpenter, ceiling worker, bar bender, roofer, plasterer to plumber, aluminium worker and painter, the job availability in construction sector is wide and many. All of jobs mentions above are always available in every project construction site which offers moderate wages and opportunities to foreign workers compared to jobs in their homeland.

## **2. 7 CONSTRUCTION INDUSTRY**

Construction industry is a sort of service- industry that form real things like residential building, industrial facilities, infrastructure facilities and national land development (Kim, Hee Jin, 2002). This industry is comprised of a multitude of occupations, professions and organizations (Wong and Fung, 1999; Kanji and Wong, 1998; Sommerville, 1994). The complicated nature of operation has brought numerous of problem to construction industry. In construction industry, it comprises various parties such as architect,

construction engineer, design engineer, project manager, construction manager, contractors, sub-contractors and also general workers. They are involved in the different phases of a construction project, which, include: feasibility, development, finance, concept development and review, estimate, detailed engineering, procurement, construction and start-up (Schultzel and Unruh, 1996). When either one of the party involved do not have co-operation or do something out of order, this will normally bring to project failure. Unlike the others industry such as manufacturing, the members of construction players usually change with each project. When different team meet together in one brand new project, their idea will be different and hence the product of construction industry is always unique and seldom mass produce.

## **2. 8 QUALITY IN CONSTRUCTION INDUSTRY**

According to Hart, 1994, the term quality has a three-fold meaning in construction. Quality means getting the job done on time, ensuring that the basic characteristics of the final project fall within the required specifications and lastly it means getting the job done within budget. To achieve acceptable levels of quality, a project must be included three aspect that is time, satisfaction and cost. The quality of building will be affected when either one of it did not be fulfil. When the project of construction industry has inefficient quality levels, it will reflect to great expenditures of time, cost and resource in order to make up the shortcomings. Actually, the project quality is directly associated with conformance to specifications and fitness for use.

Similar to other business activities and sectors, construction industry also has a lot of competitors. The construction industry neither faced aggressive

competition at the regional level nor in international level. Therefore, it has to impose higher quality levels to ensure their position in the emerging international market.

## **2. 8. 1 Quality of workmanship**

The construction industry is being viewed as one with poor quality emphasis compared to other sectors like the manufacturing and service sectors (Kubal, 1994; Kanji and Wong, 1998; Wong and Fung, 1999). One of the criticisms directed to the quality of building is shoddy workmanship. The quality, cost and timely delivery of products in the construction industry very much depends on workmanship (The Hindu, 2006). Quality of workmanship can be measure through workers effectiveness and efficiency. The skill, experience and personal ability of the workmen go a long way in determine their quality of workmanship (COBRA, 2009). The workmanship refer to skill of workers on site during the time to processes, the peoples supervise, the materials, the product and etc.

Workmanship is “ skill in an occupation or trade of different workmen based on their training or profession” (Adetayo, 1995). Workmen according to Ogunmakin (2005) is the most important factor of production since it is the only factor that creates value and sets the general level of productivity. Workmen on site normally comprise of foreign workers, contractors, main craftsmen, apprentices of various trades and so on. The quality of workmanship produce by these workers is important because it is a main factor to produce quality building. Normally, foreign workers performing all kinds of labour work that does not require specify training. According to Ogunsemi, 2002, poor quality of workmanship makes it difficult or impossible

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for workers to perceive and apply the concepts of quality control and limits of tolerance for building production thereby, resulting in poor construction which may finally lead to building collapse. Quality of workmanship should be take note especially on the skill of foreign workers.

### **2. 8. 2 Quality of building materials**

Building materials are various substance or items that form the basic components of various elements of a building (COBRA, 2009). Two types of building materials can be found in construction industry that is natural occurring and mixture. Both of the building materials are prepare in adequate proportion to suit the purpose it is intended. Along the way in building construction, materials of varying shapes, sizes and amount are extensively used.

The primary building materials on site are cement, sand, aggregate (of various classes), iron rods, water and timber (hard or soft wood) which is widely use in foundation works and structure works. These are referred to as star materials (Odulami, 2002) and they are usually mixed together to give different components and elements found in the erection of any building structures (COBRA, 2009). For a building with good quality, the materials used must be of some specific ultimate strength, which have been tested and certified to established its quality such as quality control (QC), quality assurance (QA) and quality level (QL).

Aside of primary building materials, glass, aluminium, ceramics and etc. is secondary importance and have wide application in construction industry. Refer to Bolaji, 2002, due care must be taken in the selection of materials



either primary or secondary where improved building techniques are a necessity because both of the materials are not separable. It is on record that, good building techniques are enhanced by building materials of good quality (Adebayo, 2000). If the building materials are not properly handed or stored, they may be seriously vulnerable and effects to quality of building. Before any material should be incorporated into building works, the issue of confirmation of quality of building materials must be taking serious. This is essential to avoid situations where majority of buildings fail in meeting safety obligations to the general public which may finally result into building collapse.

## **COMPONENTS OF BUILDING**

Building failure occurs when there is a defect in one or more elements of the building which caused by inability of the material making up the components or incapability of workmanship. This further lead to impacts such as the building elements fall to perform its original function effectively and if seriously will lead to building collapse at last. A research was carried out by Bamidele (2000) and in Fadamiro (2002) , the causes of buiding collapse may be cause from natural disaster, design error, poor materials and workmanship, procedure error and poor maintenance. Every kind of building has a lifespan and all components and elements put together to make it functional are expected to sustain this lifespan (Odulami, 2002).

### **Roofing**

The roof system functions as the primary sheltering element for the interior spaces of a building. Its form and construction should control the flow of water, air, heat and cold. A roof system must be structured to span across

space and carry both its own weight and live loads such as wind. Roof system are the primary gravity loads for a building and its structural layout must correspond to the wall and column systems through which its loads are transferred down to the foundation system.

## **Flooring**

Floor systems are the building's primary horizontal planes which must support live loads people, furnishings and movable equipment and dead loads- the weight of the floor construction itself. Floor systems must transfer their loads horizontally across space to either beams or columns or to bearing walls. A floor system's edge conditions and connections to supporting foundation and wall systems affect both a building's structural integrity and its physical appearance. Floor system must safely support the moving loads. Hence, it should be relatively stiff while maintaining its elasticity. Except for exterior decks, a building floor is normally not exposed to weather. Since they are all support traffic, however, durability, resistance to wear, and maintenance requirements are the factors to consider in the selections of a floor finish and the system required to support them.

## **Wall Systems**

Wall systems are the vertical planes of a building which define and enclose its interior spaces. They may be bearing walls of homogeneous or composite construction, or they may be constructed of linear columns and beams with non-structural panels filling between them. How these walls and columns support floor and roof systems above, and how they are supported in turn by wall and foundation systems below, are determined by the structural capability of these systems and the types of materials and connections

used. Walls can also serve as shear planes which are designed to resist lateral winds and earthquake forces.

Exterior walls serve as a protective shield against the weather for a building's interior spaces and control the passage of heat and cold, air, moisture and water vapour, which are also resistant to the weathering effects of sun, wind and rain. The interior walls which subdivide the space within a building may be either non-structural or load-bearing. Their construction should be able to support the desired finish materials.

## **Doors and windows**

Doors provide access into a building's interior from the exterior and passage between interior spaces. Exterior doors should provide weather tight seals when closed and maintain the approximate insulation value of the building's exterior walls. At the same time, the doorways should be large enough to move through easily and accommodate the moving of furnishings and equipment. Door performance includes ease of operation, requirements for privacy and security, and any need for light, ventilation, and view.

There are many types and sizes of windows, the choice of which affects not only the physical appearance of a building, but also the natural lighting, ventilations, view potential, and spatial quality of the building's interior. As with exterior doors, windows should provide a weather tight seal when closed, have insulation value, and resist the formation of condensation on their interior surfaces. Door and window units are normally factory-built, manufacturers may have standard sizes and corresponding rough-opening requirements for the various door and window types. From the exterior point

of view, doors and windows are important elements in a building's facades. The manner in which they break up a building's surfaces affects the massing, visual weight, scale and articulation of the building form.

## **Finish work**

There are several materials and methods used to finish a building's exterior and interior surfaces. Exterior wall surfaces should be durable and weather-resistant. Interior walls should be wear-resistant and cleanable. Floors should be durable and safe to walk on while ceilings should be relatively maintenance free. Additional factors to consider include a finish material's fire resistance, and thermal insulation value. Surface finishes have a critical influence on the aesthetic qualities of space. In the selection use of a finish material, the colour, texture, pattern and the way it meets and joins with other materials should be considered.

## **WAY TO DIMINISH THE NEGATIVE EFFECTS THAT BRING BY INVOLVEMENT OF FOREIGN LABOUR**

In the past, there is always a prediction that the demand for foreign worker is going to be rise in the coming future in construction industry. To date, it is already a truth that the inflow of foreign worker into our country has achieve a high rate and the government or the private sector have the responsible to construct strategies to stop the inflow of new foreign worker and decrease the dependency on them. Several ways has been formulated by the authority governing the industry with the assistant of construction associations to overcome the problems faced by local construction company and developer firm when dealing with the issue of foreign workers.

## **Government tighten hiring rules of foreign labour**

It is a true where Malaysia industries is bringing more foreign worker than needed in the country and the government has to plug loopholes that cause the oversupply. Drastic measurements has adopted by the government and for most recently topic is the amnesty programme that done by government to repatriate the immigrant workers especially illegal immigrants. As we all know, the foreign workers were needed to fill the shortage of local supply but it is not a long term measure to enable employers to cut cost. Hence, s