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Lim-Wages

CABINET ACCEPTS GUIDELINES ON WAGE REFORMATION SYSTEM

KUALA LUMPUR, Aug 21 (Bernama) -- The Cabinet today accepted the guidelines on wage reformation system which recognises the close connection between wages and productivity to enhance competitiveness and encourage occupational stability.

Human Resources Minister Datuk Lim Ah Lek said the guidelines would enable the employers to take broader and systematic approach to enhance productivity and wages through the active involvement and cooperation of their workers.

The Cabinet in accepting the guidelines felt that when a company made substantial profit, the workers should benefit too, he told reporters at his office here today.

Lim said Prime Minister Datuk Seri Dr Mahathir Mohamad had at today's meeting expressed such hope while also urging workers to increase productivity and enhance work quality to commensurate with wages received.

The National Labour Advisory Council had on Aug 1 agreed to accept the guidelines which would enable workers to enjoy part of the profits made as a result of increased productivity and performance.

Lim said there was no reason for the private sector not to implement or to delay the implementation of the system because many of its features were previously their suggestions.

On move by several electronics factories in Pulau Pinang to cease operation or to reduce their workers, he said only three companies had stopped doing business since the end of last year, involving 3,032 workers, while two others reduced production.

However, he said that after the taskforce on retrenched electronics workers interferred the workers were re-employed in other factories.

They were also paid the balance of their salaries and other statutory benefits totalling RM6 million, he said.

Lim said the closure of the three factories was due to poor sales. --
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