

# Mahathir urged to intervene in outsourcing of bank services

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**PETALING JAYA, Wed:** The MTUC has urged the finance minister to intervene to stop the outsourcing of backroom operations in banks.

Since early last year, banks and financial institutions have entered into negotiations with Bank Negara and succeeded in getting approval to outsource a series of banking services.

In a circular addressed to all banks and financial institutions, Bank Negara gave the green light for outsourcing and set a whole lot of conditions.

"Unfortunately, Bank Negara failed to mention a single word to safeguard the employees' job security," MTUC secretary-general G. Rajasekaran.

"This exercise, coming so soon after the merger of banks, has shocked the nation's 70,000 banking and financial-sector employees."

It is estimated that when the outsourcing plan is fully implemented, about 30,000 employees would be uprooted.

Today, the MTUC sent an urgent appeal to Datuk Seri Dr Mahathir Mohamad, who is the finance minister, urging him to "scrap outsourcing, as it has far-reaching effects."

Outsourcing of backroom operations include data entry and conversion, transaction processing, payroll calculation, and processing of loans and credit card dealings.

The MTUC questioned the rationale for introducing such a plan at this stage, when thousands are being retrenched from all sectors of the economy.

Rajasekaran said: "We accept that redundant jobs must be eliminated, but in this exercise, banks and financial institutions are merely sifting out the services without any consideration of its implications."

This will have serious consequences on the employees and their families, he said.

He said apart from the threat to job security, outsourcing will effectively eliminate the confidentiality of customers' accounts, and this will have serious repercussions.