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Maybank issues termination letters to 290 employees

KUALA LUMPUR, Tues. - Maybank has issued termination notices to 290 employees effective Oct 13 following its decision to contract out its entire electronics banking operations to an US-based IT service provider.

Malaysian Trades Union Congress secretary-general G. Rajasekaran said Maybank had requested all terminated employees to join the new contractor.

"Maybank's action is most inconsiderate and is in direct violation of the code of conduct for industrial harmony," he said in a Press statement today.

He said the bank had also ignored the well established "last in first out" principle in selecting candidates for retrenchment.

Most of the employees, he added, had served Maybank for between 10 and 20 years.

MTUC, he said, was deeply concerned by this new trend as this would have serious repercussion on employees' job security.

He said Maybank's decision to hand over its entire electronics banking department to a private contractor was frightening.

MTUC has urged Bank Negara to review its decision to allow Malaysian banks to hand over vital information to contractors who do not come under their purview and control.

Rajasekaran said MTUC had requested Finance Minister Datuk Seri Dr Mahathir Mohamad to intervene so that the future of the 290 employees could be safeguarded.

In a statement, Maybank said 308 staff affected by the move had received offers that were comparable to the terms and conditions they enjoyed in Maybank.

Its deputy president Hooi Lai Hoong said the statement issued by MTUC was erroneous.

"It is not a VSS (Voluntary Separation Scheme) or retrenchment. The employees are merely moving with their work, so to speak, because the work they are doing here in the IT department will be done at the IT service provider company. Their seniority also stays.

"No selection was done. Neither were they picked randomly. All those who were handling their part of the job here have to move with the work that has moved to the IT company," she said.

She said the employees were guaranteed permanent employment effective Oct 13 at the IT company until retirement age.

On Aug 28, Maybank signed a 10-year IT outsourcing contract worth RM1.3 billion with Computer Sciences Corporation (CSC). Under the agreement, CSC will provide comprehensive computing services to Maybank.

Hooi said the outsourcing exercise was only for the infrastructure segment, while the architecture, security and application segment of the IT department were to remain at Maybank.

She said the exercise was well within the requirements of law and also Bafia (Banking and Financial Institutions Act 1979).