

Cutting 6,000 jobs unavoidable for MAS, says Tee Keat
MalaysiaKini.com
Mar 30, 2015

Ailing Malaysia Airlines (MAS) is facing a 'do-or-die' situation and its plan to cut 6,000 jobs is unavoidable and should proceed, former transport minister Ong Tee Keat said today.

Khazanah Nasional Bhd, which owns MAS, had done thorough reassessments under its RM6 billion Recovery Plan for the national carrier and the need to rightsize the workforce was critical to the plan, he said.

Ong said this in response to resistance within the airline's employees' unions which have appealed to Khazanah and the government to abort the proposed massive retrenchment exercise which involves about one-third of its workforce.

"We can't afford to be in our comfort zone forever. If at all, we say that we have been doing this for how many years, for ages why can't we continue with it, then what recovery plan or what change are we talking about?" he said.

"Now if we are going to fall into the same old trap, that is mere monetary aid, we want to be bailed out by the government and that's it. So now it's a choice we have to make, a mere bailout or genuine and meaningful revival of the national carrier.

"I think these are the two main things and we have to make a very tough and firm decision for the nation's interest," he told Bernama.

Ong (left) stressed that right from the beginning, everybody knew that the layoffs were unavoidable and sufficient engagements had been done with the various labour unions and by now, the lay-off issue should be water under the bridge.

"And what is next is perhaps is the selection of the suitable talents, and I believe when the necessity to rightsize to obtain the optimal size of workforce is brought up, certainly this is the matter of do or die for the national carrier.

"Meaning not that Khazanah is going all-out for the layoff or removal of any staff, but rather the matter of survival, whether we want the new company, the new MAS to survive, to keep it afloat or otherwise," he added.

As part of a RM6 billion restructuring aimed at returning the carrier to profit within three years, Khazanah had taken MAS private last year.

MAS' restructuring includes the rightsizing of its staff.

The comprehensive talent assessment exercise was completed early February, covered approximately 20,000 employees where employees' past performance, experience, qualifications, behavioral traits, disciplinary records, functional competencies as well as

aspiration to join MAS NewCo were taken into consideration.

The assessment also saw MAS' top 500 senior executives undergoing a three-hour behavioural interview with an independent consultant.

Avenues for outplacement and reskilling

The Corporate Development Centre is set to begin operations by April 1, 2015 to provide avenues and opportunities for the outplacement and reskilling of exiting MAS staff.

The centre provides exiting employees access to a broad range of services, which includes talent profiling, career counselling, basic and detailed training, job-seeking skills, entrepreneurship, retirement planning and placement.

The latest move in the restructuring of the national airline saw the appointment of Christoph Mueller as its managing director and group chief executive officer had been brought forward to May 1 from July.

This will allow Mueller to lead the company's restructuring efforts and allow appropriate time for the transition into MAS NewCo, Malaysia Airlines Bhd.

Commenting on the unions' assertion that that core asset of an airline is "the skills, expertise and goodwill of employees", and that the workforce should not be traded as a commodity, Ong reiterated that at this juncture it was pointless to talk about sentiment because failure was no longer an option and the ongoing recovery plan should be the last for MAS.

"It's a matter of do or die for the national carrier. You might have the expertise, talent and all that. But if at all the workforce is considered overly bloated, you need to trim it down for the sake of survival and this is a very tough decision to make.

"In this respect, we were given the assurance that the 6,000 employees would be re-skilled, re-trained and re-deployed. Meaning they would get a job ultimately, unless you chose not to adapt to such changes.

"And on top of that, now the government should also be mindful of some of the main causes for our failure in running MAS.

"We said time and time again, wasteful spending, or even the contracts that would deemed non-conducive to MAS, all this have to be reviewed. And all this has been said.

"And of course it's not fair to say that only the 6,000 people be made the excuse for the failure of MAS," he said.

- Benama

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