

# Downsizing does not make bosses bad, says Fong

**PUTRAJAYA:** Employers who downsize their workforce due to operations streamlining and for economic reasons are not necessarily bad bosses, said Human Resources Minister Datuk Seri Dr Fong Chan Onn.

Even multinational companies like Motorola and certain airlines have had to downsize when times were hard, he added.

"Sometimes, these companies have to reduce the number of workers to compete better in a globalised econo-

my. But this does not mean that they are bad employers," he told reporters after attending a convocation ceremony for skills institutes graduates at the International Convention Centre here yesterday.

"I don't want anybody to be labelled a bad employer. The Malaysian Employers Federation should not refer to employers who have to downsize as bad bosses because this is very negative."

Dr Fong was commenting on a

statement by MEF president Datuk Azman Shah Harun that the federation was against the setting up of any retrenchment fund for workers as this meant that "good employers were paying for the mistakes made by bad employers."

Both the MEF and MTUC had at a National Labour Action Council meeting last month "agreed in principle" to the scheme, which would be similar to that of Socso and the Employees Provident Fund.

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A special committee headed by Human Resources Ministry secretary-general Datuk Thomas George with MEF and MTUC representatives was later formed to look into the proposal.

Dr Fong also reminded the MEF that this agreement was reached in the first place because the Government was willing to amend the Employment Act to make it more flexible for bosses to hire or fire workers, but only if such a retrenchment fund was set up as a safety net.

The MEF and other employers' organisations like the Federation of Malaysian Manufacturers had long complained that labour laws in the country were too rigid, he added.

"It was under those circumstances that we discussed the setting up of this fund. The MEF must look at the retrenchment scheme as a whole package. The idea is to achieve a balance," he said, adding that the MEF had also at that time, claimed that this was a "fair" solution.