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# The Review of Challenges Foreign Workers Face in Construction Industry of Malaysia

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**Abstract-** Malaysia intends to be a developed country with the United Nations by the year 2020, and the construction industry has always been a stalwart economical key to that goal. In recent years, this industry has had to hire more, to the point of being dependent on, foreign workers in order to meet the ever growing demands of Malaysia's continuing thirst for new building projects. Working conditions for these foreigners are often unfavorable but this does not stop them from working in Malaysia. This research will therefore be providing a general overview of the challenges faced by foreign construction workers in Malaysia.

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# The Review of Challenges Foreign Workers Face in Construction Industry of Malaysia

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**Abstract-** Malaysia intends to be a developed country with the United Nations by the year 2020, and the construction industry has always been a stalwart economical key to that goal. In recent years, this industry has had to hire more, to the point of being dependent on, foreign workers in order to meet the ever growing demands of Malaysia's continuing thirst for new building projects. Working conditions for these foreigners are often unfavorable but this does not stop them from working in Malaysia. This research will therefore be providing a general overview of the challenges faced by foreign construction workers in Malaysia.

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## I. INTRODUCTION

Malaysia's insatiable hunger for new buildings is quickly outstripping the construction sector's ability to provide; and with more young Malaysians refusing to work in backbreaking blue collar jobs, this leads to more construction companies hiring the necessary manpower from less developed countries in order to complete the massive amount of projects they get every year. According to the Report of Immigration in Malaysia, released on 2013 by the Ministry of Human Resources of Malaysia in collaborating with ILMIA, the total number of immigrants has risen from 1.3 million in the year 2000 to 2.6 million in the year 2007 with an increment of 30 percent (Portal of immigration department of Malaysia, 2012). These immigrants are mostly low-to-medium skilled workers and the bulk of their work knowledge is gained from being hired by assisting peers.

The Malaysian construction sector employs approximately 9 percent of their total workforce from Indonesia and other member nations of the Association of Southeast Asia Nations (ASEAN) (Anglioinfo, 2015). These foreign workers contribute heavily to the productivity of their companies, and not only do they keep the country's economy running well but they are also major contributors to its continued growth. Their jobs are often grueling and thankless, with numerous cases and dismemberment happening in. Nevertheless,

not many Malaysians show concern and respect for this group of unsung heroes behind those dazzling buildings and transporting system. construction sites being reported every year. To make matters worse, the relevant authorities seldom make a move to resolve the problems in infrastructure and policy, that causes the preventable loss of many innocent lives and that considerably sets back the development of the country in many aspects.

## II. HUMAN RIGHTS

According to a report by Amnesty International foreign workers are lured to Malaysia by promises of high salaries by the construction companies but always end up being exploited and abused (The Star, 2014). The report goes on to urge the Malaysian Government to do better in protecting the vital human capital that are foreign laborers. Undoubtedly, most of the foreign workers who come to Malaysia do so to escape poverty and to provide a better life for their families. From the very beginning, these workers are beset by misery. Many workers that are brought to Malaysia by agents often find themselves deceived about their pay, type of job and even their on-site accommodation. Some even find themselves locked up behind bars for flimsy and unacceptable reasons (Chelvarajah. L, 2015). In Malaysia, foreign workers have a limited ability to enforce the rights in enshrined in their contract due to the language barrier, the cost of lawyers and the period of time they are allowed to stay in Malaysia. Foreign workers are also subjected to psychological stress when such cases occur, as they often feel isolated and helpless when their rights are unprotected in a foreign country (Chelvarajah. L, 2015). Their only hope is the Construction Industry Development Board (CIDB), a statutory body under the Malaysian Minister of Works, which serves a major role in undertaking functions related to the construction industry and construction personnel, which includes protecting the rights of foreign workers (International Academy of Design and Health, 2015).

## III. APPLYING WORK PERMIT

Applying for a working permit is the first barrier most foreign worker have to overcome in order to set foot in Malaysia. The application procedure is often unnecessarily complex and needlessly time-consuming.

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According to the official portal of the Malaysian Immigration Department, the recruitment terms and conditions for foreign workers differ from country to country. Only certain nationalities are allowed to work in some of the listed sectors whereas individuals from countries not on the list are prohibited from entering Malaysia under section 8(3) of the Immigration Act 1959/1963 (Portal of Immigration Department of Malaysia, 2015). For example, prospective workers from India are only allowed to work in the high tension cable subsector of the construction sector. There is also a quota system in place for foreign workers, which employers are subjected to, and this also jeopardizes the chances of a hopeful applicant from getting the permit. (Portal of Immigration Department of Malaysia, 2015). Furthermore, there are 2 phases in the application process -pre arrival and post arrival. Hopeful workers are required to prepare a list of documents that include among them medical certificates, an approval letter, security bonds, copies of passports and their insurance policy. Besides the long waiting period of approval for the permit, a huge sum in fees have to be paid, depending on the sector and nationality of the worker, in order for the foreign workers to get an identity card that allows them to work in the sector of their choice (Portal of Immigration Department of Malaysia, 2015).

Foreign workers usually come from less developed countries to find a living in Malaysia, but language is often a barrier for them because they have no need to learn Malay and have limited access to English. Yet they are required to prepare a list of documents based on requirements that are written in English or Malay in order to apply for their permit. It is a task that is tedious and difficult even for the native-speaker, and it is unreasonable to expect a non-native speaker with limited prior education to do it. And yet, they often demonstrate themselves to be testimonies to human ingenuity and tenacity so it is only right that we help them.

#### IV. COMMUNICATION BARRIERS

Language barrier has been a problem amongst foreign workers in the construction industry in Malaysia, especially between the supervisors and the foreign laborers in the construction site. Referring to the statistics for the issuance of the foreign workers pass in the construction industry in Malaysia, most of the foreign workers are from developing countries with a significantly lower exchange rate such as Indonesia, Nepal, Myanmar, India, Vietnam and Bangladesh (Valither. A, 2014). These countries are the top choices for worker recruitment by construction companies as the wages they demand are not high by local standards. This, however, leads to complications in the worksite as most of them cannot understand or speak the local

language with their supervisors, which causes a breakdown in team cohesion due to inability to communicate. Workers also find it difficult to understand work orders, safety rules and to interpret safety warning signs. This is among the factors that contribute to accidents happening in the construction site and brings with it huge consequences to the project, such as delaying progress, injury, disability or even death of workers causing the company to be short staffed and to incur them losses from myriad compensations and from the delay. It will definitely be a loss to all parties involved that could have been avoided with language classes and more effort to understand each other. Language, is a simple thing but it can have big, sometimes fatal, consequences on everyone involved.

#### V. COMPENSATION AND INSURANCE SCHEME

Most cases of injury, accidents and death are issues that can be prevented if certain precautions are taken by employers of potentially dangerous workplaces like the construction site. Most of the foreign workers do not get the benefits of compensation and insurance which they are rightfully entitled to but often get cheated out of due to their lack of knowledge, which is really unfair to them. Under section 26(2) of the Amended Workman's Compensation Act 1952, it is mandatory for every employer to insure all foreign workers employed by him under an approved insurance scheme in respect of any liability (Laws of Malaysia, 2006). Any employer who fails to insure the foreign workers under the scheme shall be guilty of an offence and shall be liable, on conviction, to a fine not exceeding RM20, 000 or to imprisonment for a term not exceeding 2 years or both (Laws of Malaysia, 2006). Nevertheless there are employers who take advantage of their foreign employees' ignorance of the local laws and deprive them of their rightful compensation. Thus, while the scope of the coverage of the law guarantees benefits to the employee in the long term, it is often not enforced.

#### VI. EQUAL TREATMENTS

Foreign workers always face issues in getting equal treatment with that of local workers. First and foremost, foreign workers often don't get their salary on time due to the inefficient arrangement of their employers. The punctuality of their payment does make a big difference for them and their families back home that depend on them for a living. In addition, not all foreign workers get their salary, after conversion, on a salary scale that is proportional to that of their Malaysian counterparts which shows the act of inequality (Elias, J. 2008). They also don't get equal treatment in terms of leaves, as local workers get a greater number of public holidays, sick leave and vacation leave. Their working

hours are also extremely long and often longer than the government mandated eight hours a day. Foreign workers also don't get much benefit in terms of free medical treatment as well as bonuses and shift duty allowances. Employers should not cheat their employees off of their rights but should instead provide equal and good benefits to their foreign laborers as their business is dependent on the hardwork that these people put in every day (Elias. J, 2008).

## VII. WORKING ENVIRONMENT

A good working environment at a construction site is important for all the workers so that safety and health issues can be avoided but, most of construction site are dirty, tough and dangerous, with few of the recommended safety precautions being followed. Despite the unpleasant and unsafe working environment, foreign workers are not bothered by this lack and are willing to take these risky jobs that locals do not wish to do just to earn a living. Safety in construction must always be a priority among the employers, supervisors and workers during all stages of the project, beginning from the very start of pre-construction, construction and to the very end of post construction (Kamural. A, 2012). A holistic approach to safety must be introduced and implemented in the construction industry as it is not only a strategic way for construction stakeholders to move up to a greater value in the future but a vital human right

## VIII. DISCUSSION

The research shows that foreign workers in Malaysia have been subjected to unequal, dangerous and unsatisfactory treatment under the hands of local employers as well as the infrastructure of the law. Jobs in the construction industry entail irregular long hours, unsafe working condition, low pay and also demands that foreign laborers work during weekends and holiday seasons. It shows that despite all the unpleasant situations that they are going to face, these foreign workers do not stop coming to Malaysia, in order to fill the gap that local distaste have left in labor intensive jobs like those in the construction sector. Their determination and persistence towards their jobs are truly worthy of more respect than they get for their contribution towards the construction industry of our country. Despite all the challenges, construction workers need to be provided with a better way to voice out their opinions and concerns to the Malaysia Construction Industry Development Board (CIDB). This organization was established in 1994 for the sake of labor rights and reform and it is a shame that there is no easier way for foreign workers to lodge complaints and seek justice when their rights are being trampled on. The CIDB can act as a platform to advise and make

recommendations to the government for better resolution and protection for the issues plaguing foreign low and medium-skilled talent in Malaysia. Challenges that the government and the CIDB should look into, for a start, include the constant abuse of human rights by employers, complicated application of working permit, overcoming communication barriers, proper compensation and insurance schemes, ensuring equal treatments and safer working environment.

## IX. CONCLUSION

All foreign workers should be given treatment that is equal to that of their Malaysian counterparts in the construction industry. The government and other relevant parties have to address the current weaknesses in the legislation, particularly the safety aspect, for the construction to become better and more profitable. The image of the construction industry as dirty, difficult and dangerous (3-D) has to be eliminated through better regulations and safety protocols. The construction industry may create wealth and benefit through the completion of many impressive projects but there is absolutely no good in a technologically and infrastructurally advanced society if employees are not treated fairly or respected as they should. There is much that can be achieved with intensive effort from the CIDB and the government on the improvement of foreign employee safety and health. Construction companies should lend their hand to assist the government through enforcement agencies in order to build a Malaysian construction industry that is stronger and more sustainable by the year 2020.

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