

## CHALLENGES OF COVID-19 TOWARDS MALAYSIAN EMPLOYMENT

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### 1. INTRODUCTION

Covid-19 was declared a global pandemic by the World Health Organization (WHO) on March 11, 2020, the first time since H1N1 influenza was declared a pandemic in 2009 (World Health Organization, 2020). Further, it is a global pandemic and public health emergency that has had a significant impact on the global economy and financial markets whereby the disease mitigation measures that have been implemented in many countries have resulted in significant income reductions, increased unemployment, and disruptions in the transportation, service, and manufacturing industries (Anton Pak, 2020). The pandemic of Covid-19 has impacted negatively on labor markets, with disproportionately negative consequences for employment. Demand has sunk as a result of lockdowns and travel restrictions, forcing many businesses to close or scale back operations, putting workers at risk (Asian Development Bank & International Labour Organization, 2020). From this point, this pandemic Covid-19 influences employment. In Malaysia, a recent study found that more than half of work is particularly vulnerable to Covid-19 (Amanina Rahman, 2020). There are still few studies conducted in addressing the challenges faced by employment during this pandemic. But one remains clear which is the issue that has been faced by society when dealing with employment during this pandemic effect are undeniable. In this paper, the researchers explain the effect of Covid-19 that poses challenges towards Malaysian employment.

### 2. COVID-19 CHALLENGES ON MALAYSIAN EMPLOYMENT

Almost more than a year into the Covid-19 crisis, we can see how the pandemic is affecting our employment matters. Employees, including women and working parents, are having the most difficulty which leads to work from the home dilemma. Meanwhile, due to the economic downturn brought by the pandemic, the most private sector is facing difficulties such as profit loss and forcing them to act in a harsh way such as cutting working hours to reduce labour cost, termination of work, and providing leave with no pay to the employees. Thus, this situation has developed into problems or challenges towards employment in Malaysia.

#### 2.1 Work from Home Dilemma

Based on statistics shown in Figure 1, working from home is the most significant effect of pandemic Covid-19 (Department of Statistics Malaysia, 2020). Working from home (WFH) refers to an employee who works from their home, apartment, or another place of residence rather than from the office (Hart, 2021). During this pandemic, WFH is considered a new norm of employment. However, despite the advantages of implementing WFH policy to curb with Covid-19 pandemic, it has created a certain challenge. Working from home has long been thought to be a good way to improve employees work-life balance (Nakrošienė, Bučiūnienė,

& Goštautaitė, 2019). However, during this pandemic, it has revealed workers are facing blurred work-life boundaries (Pluut & Wonders, 2020). Working remotely has been a lifesaver for many employers, but the blurred lines between work and home have increased employee stress and negatively impacted overall wellbeing (Douglas, 2021). Working from home also leads to a work-life balance issue (Afiqah Abdullah, 2020). This means, the pandemic disrupted work, family, and social life and these significant changes may have resulted in a shift in exposure to work-life conflict (Scott Schieman, 2021) whereby when working remotely means flexible working hours enable, the employee often find it difficult to adjust non-work and working hours efficiently due to sudden swift of the new norm for working from home. Thus, it made them still an unclear or blurred line between work and personal boundaries.

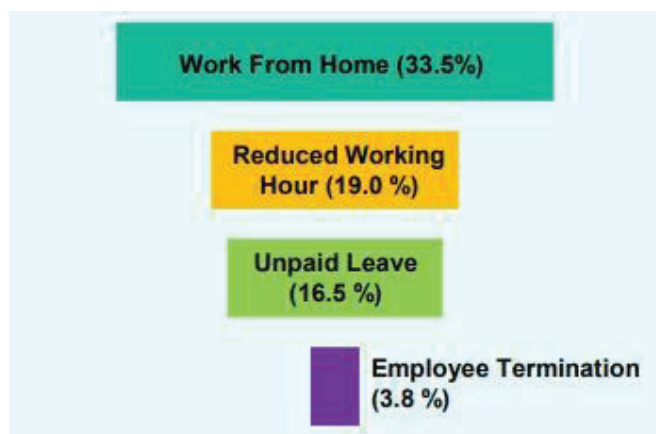


Figure 1: Significant Effect of Pandemic Covid-19 in Malaysia  
(Department of Statistics Malaysia, 2020)

## 2.2 Shorter Working Hour

Nowadays, many businesses were forced to temporarily reduce their working hours (Workplace Relations Commission, 2021). In many Organizations for Economic Cooperation and Development (OECD) countries, the Job Retention scheme has been introduced to contain the employment and social fallout of the Covid-19 crisis and aim to preserve jobs at firms experiencing a temporary reduction in business activity by lessening company labor costs while supporting the incomes of workers whose hours are reduced (OECD, 2020). Thus, this has proved that during this pandemic, there is the issue of employment regarding their working hours reduced due to unstable economy crisis caused by Covid-19 virus. Based on the Department of Statistics Malaysia (2020) report, it stated that since the Covid-19 pandemic hit Malaysia, the number of working hours has been reduced due to Movement Control Order (MCO) implemented. It cannot be avoided and undeniable that MCO is necessary action taken by the government to curb the pandemic outbreak. However, based on the United Nations Development Programme (UNDP) report as showed in figure 2, there are few employees are suffered from income reduction, and their working hours were reduced during this pandemic (United Nations Development Programme, 2020). Even just a slight number of employees are affected, however, it has posed a challenge for employment during this pandemic and further studies are needed to address these matters accordingly.

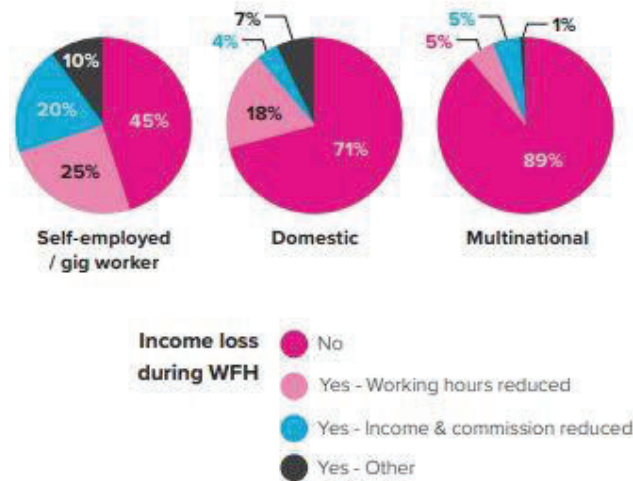


Figure 2: Income Reduction by Employer Type (UNDP, 2020)

### 2.3 Unemployment

According to the Human Resources Ministry, nearly 100,000 Malaysians have lost their jobs since the inception of MCO (The Star, 2020) and Covid-19 has the greatest impact on employees in the aviation, hospitality, and tourism industries. Further, regarding the retail sector, where millions of Malaysians work full-time, part-time, and contractual conditions lead to job loss (Ilham & Factors, 2020). Further, amid COVID-19, 8 out of 10 retrenched Malaysians are looking for work (Job Street, 2021) due to companies struggling with retrenchment around the world, laying off their workforces to cut their losses amid the COVID-19 crisis. Apart from that, the Malaysian Employers Federation (MEF) stated the economic slowdown is expected to result in 1 million layoffs this year. This problem not only affecting the economy of the individual but also may affect the mental health of the employee who has suffered lost job admits pandemic Covid-19 crisis (Dorrit Posel, 2021). Thus, from recent studies and statistic showed, it has highlighted the challenges in the context of employment during the pandemic Covid-19 outbreak and Malaysia are not excluded from its effect.

### 2.4 Leave and No-Pay

The worrying economic situation has undoubtedly caused panic (Hamouche, 2020), especially among employers concerned about the company's cash flow and financial returns. Thus, currently, employers' most common issue during this pandemic is regarding pay cuts or impose mandatory unpaid leave on their employees as a cost-cutting measure or to reduce the impact of the pandemic on their businesses (Diana Cheak, 2020). For instance in Malaysia, when it came to salaries and wages during the pandemic, some businesses chose unpaid leave or wage reductions when their operations could not continue as usual (Department of Statistics Malaysia, 2021). This method of providing unpaid leave to the employee is mainly to avoid termination and one way to downsizing employment to lessen the burden of the company (Cascio, 2009). This issue has created many speculations amongst both employees and employers. Currently, all parties are affected by the pandemic, and it has hit hard especially in employment matters. This also had created a challenge in the context of employment as it affected all aspects of the worker. During this economic crisis due to pandemics, more research is needed to address this matter to provide a more concrete point of view.

### 3. DISCUSSION

The pandemic Covid-19 has serious health consequences as well as economic and social implications. In Malaysia, the Covid-19 pandemic has posed a few challenges in terms of employment which are working from home, shorter working hours, lost a job, and leave with no pay (Department of Statistics Malaysia, 2020). Working from home has become a challenge for employers. This is because, while working at home, the employee must focus on family or work conflict, it takes high discipline, high self-motivation, excellent organizational and time management skills to successfully implementing the WFH policy (Nadia Nordin, 2016). While during this pandemic, it seems very hard for an employee to perform fully their task without any disturbance from a family affair while working at home (Vyas & Butakhieo, 2020). Shorter working hours and leave with no pay are also considered as the challenge of employment in Malaysia. This is because, in a matter of economic crisis caused by this pandemic, it has made major cost-cutting by the employer which has made employees affected on their employment (Yong, 2020). Nevertheless, the most obvious challenge of employment during this pandemic is the loss of the job itself. The main reason it poses a higher-level degree of challenge is that the economy slowed which resulting in a dramatic increasing rate of unemployment (Amanina Rahman, 2020). Whereby, unemployment wastes resources, causes redistributive pressures and distortions, raises poverty, restricts labor supply, and made social conflict (Austin Nichols, 2013). The researcher believes that this problem must be addressed appropriately, or it will lead to economic instability and social problems. Malaysia must now do everything possible to prevent this employment issue from becoming a social issue.

### 4. CONCLUSION

In conclusion, the pandemic Covid-19 certainly poses challenges to Malaysia's employment. These challenges must need to be identified and studied further so more findings will be able and help us to understand the hardship faced by our society. Employment issues during this economic crisis caused by the pandemic needed to be highlighted and pressed more. This is due to this pandemic; uncertainty keep exists thus created speculation for workers and has daunting them. In Malaysia, Employment Act 1955 was introduced to protect workers during their employment. Without this law, workers would be vulnerable to several threats such as discrimination, minimum wage, and workplace safety and health laws, as well as workers' compensation. The researcher believes that reviewing the effect of Covid-19 on Malaysian employment will help to gain new insight or ideas for authorities implementing a new policy to address and resolve this matter at once.

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