

**THE APPLICATION OF LAST IN FIRST OUT PRINCIPLE IN
RETRENCHMENT CASES**

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Submitted in Partial Fulfillment of the Requirements for the Bachelor in Legal
Studies (Hons)

**Universiti Teknologi MARA
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April 2007

The students/authors confirm that the work submitted is their own and that appropriate credit has been given where reference has been made to the work of others

ACKNOWLEDGEMENT

First and foremost, deepest gratefulness and gratitude to the Almighty Allah S.W.T for without His blessing, we would not have successfully completed this project paper.

This project paper has been a joint effort between Azureen Sahira Bt Sauffee Afandi and Muhammad Iskandar Bin Zainol. Both of us were responsible for gathering all the relevant materials for the purpose of this research through various means such as library research, online research and interviews.

Azureen Sahira was responsible in collecting information relating to the area of retrenchment and she is also responsible in analyzing and critically comments on the procedural aspect of retrenchment. Meanwhile Muhammad Iskandar was responsible in discussing the principle of Last in First out (LIFO) and its application.

Both of us were responsible in conducting an interview with the relevant people in the human resource department, Mr Haniff Lai Abdullah, the Business Human Resource Manager from Nestle. Azureen Sahira had managed to conduct an interview with the Chairman of the Industrial Court namely Tuan Franklin Goonting and Puan Zura Yahya. The outcome of the interview was discussed together in great length and details. We would also like to thank the librarian, Puan Azshimah Shah Bt Shahari who have been very helpful in helping us accessing relevant information for the purpose of this research and to Puan Sadiyah Bt Mohd Din, Special Assistant in the Industrial Court for her assistance.

All the works in completing this project paper were equally divided among the two of us and continuous editing were conducted in order to ensure the work is consistent and not overlapping.

ABSTRACT

Retrenchment is an industrial practice and at times it is inevitable. The employer might have to resort to such measures in ensuring the running of their business. One of the ways to retrench the employees is through the application of LIFO principle.

The Last in First Out (LIFO) principle has been the chosen practice among the employer in the process of retrenchment. This principle is a mere guideline and is not binding to the employer. As a result, its application is open to exploitation and abuse.

It is essential to understand the nature and the application of this principle. Although it is merely a guideline, it plays a very prominent role in most retrenchment cases.

Since this principle has no legal effects, it is the intention of this project paper to clearly set out the confusion surrounding this area of Industrial Law. The nature, application and the departure of this principle will be determined and the process of retrenchment and the connection between retrenchment and LIFO principle itself will be discussed. This is important to establish the relevance of this process.

TABLE OF CONTENTS

Acknowledgement	i
Abstract	iii
Contents	iv
List of Statutes & Code	vii
List of Cases	viii

CHAPTER ONE: INTRODUCTION

1.0	Introduction	1
1.1	Problem Statement	3
1.2	Objective of Study	4
1.3	Literature Review	5
1.4	Methodology	8
1.5	Limitation	9
1.6	Contribution of Study	10
1.7	Provisional Plan of Research	11

CHAPTER 2: REDUNDANCY AND RETRENCHMENT

2.0	Introduction	12
2.1	Laws Relating to Redundancy	17
2.1.1	Statutory Notice	17
2.1.2	Retrenchment Benefits	18
2.1.3	Requirements for the Entitlement of Retrenchment Benefits	19
2.1.4	Adherence to the Last In First Out (LIFO) Principle	22
2.1.5	Lay-off	23
2.1.6	Measures Taken Prior to Retrenchment	24

2.2	Reorganization	26
2.3	The Effects of Retrenchment	28
2.4	The Procedures and Principles that Must be Adhered to in Effecting a Retrenchment	29
2.4.1	<i>Bona fide</i>	31
2.4.2	Compliance with Collective Agreement	34
2.4.3	Compliance with the LIFO Principle	37

CHAPTER 3: THE APPLICATION OF LAST IN FIRST OUT (LIFO) PRINCIPLE IN RETRENCHMENT CASES

3.0	Advantages and Disadvantages of LIFO	40
3.1	The Nature of LIFO	44
3.2	The connection between LIFO and the Code of Conduct for Industrial Harmony	47
3.3	Whether Failure to Adopt the Code is Fatal to the Employer's Case	54
3.4	When Can the Employer Depart from LIFO	58
3.5	Limitations of LIFO	62

CHAPTER 4: ALTERNATIVE TO THE LIFO PRINCIPLE

4.0	Voluntary Separation Scheme	64
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