

UNIVERSITI TEKNOLOGI MARA

**EVALUATING SOCSO'S EFFICACY AND
IMPACT ON EMPLOYEE WELFARE AND
FINANCIAL SECURITY: A COMPREHENSIVE
STUDY OF PERCEPTIONS AND SUCCESS
FACTORS**

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ABSTRACT

This study delves into the efficacy and impact of the Social Security Organization (SOCSO) on employee welfare and financial security in Malaysia. SOCSO, an essential institution in Malaysia's social safety net, provides crucial benefits to employees in cases of employment injuries, invalidity, and other work-related contingencies. Despite its pivotal role, the perceptions of its efficacy and the factors contributing to its success or challenges remain underexplored. Our research employs a mixed-methods approach, combining quantitative analysis of SOCSO's operational data with qualitative insights from stakeholder interviews. We analyze the extent to which SOCSO meets its objectives of providing financial support and enhancing employee welfare. The study also examines the awareness and satisfaction levels among beneficiaries, uncovering gaps in communication and service delivery that may affect SOCSO's perceived effectiveness. Key success factors identified include the adequacy of financial benefits, the efficiency of claims processing, and the scope of coverage provided. Conversely, challenges such as bureaucratic delays, limited awareness among workers, and the adequacy of support for non-standard forms of employment are highlighted. By assessing these perceptions and success factors, this study offers valuable insights into how SOCSO can enhance its operations and better serve its stakeholders. Recommendations include policy adjustments to broaden coverage, improvements in service delivery, and initiatives to raise awareness among employees about their entitlements and SOCSO's role in safeguarding their welfare. Through this comprehensive evaluation, the study aims to contribute to the ongoing discourse on strengthening social security systems in Malaysia, ensuring they remain robust and responsive to the evolving needs of the workforce.

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CHAPTER 1

INTRODUCTION

1.0 Introduction

The realm of employee welfare is a critical aspect of any nation's workforce management, and in Malaysia, the Social Security Organisation (SOCSO) stands at the forefront of this domain. This paper delves into a comprehensive analysis of SOCSO's efficacy and its profound impact on employee welfare under the Employee's Social Security Act. Established with the noble intent of safeguarding employees against unforeseen work-related adversities, SOCSO has evolved into a pivotal component of Malaysia's social security network.

This analysis aims to dissect the multifaceted layers of SOCSO's operations, examining how its policies and benefits structure contribute to the overall welfare of Malaysian workers. From providing financial aid during times of industrial accidents and occupational diseases to offering rehabilitation services, SOCSO's role extends beyond mere monetary assistance. It embodies a holistic approach to employee welfare, ensuring that the workforce is protected, supported, and empowered to navigate through the vicissitudes of occupational hazards.

By scrutinizing the recent enhancements in SOCSO coverage(*Breadcrumb, 2024*) and the strategic implementation of its 3K mission to raise the welfare, skills, and productivity of employees(*Breadcrumb, 2024*), this paper will highlight the organization's commitment to continuous improvement. Furthermore, it will explore the implications of SOCSO's short, medium, and long-term plans, which include expanding coverage to gig and care sector workers and establishing dialysis centers, thereby reinforcing the fabric of employee welfare in Malaysia(*Breadcrumb, 2024*).

In essence, this paper seeks to provide a thorough understanding of SOCSO's instrumental role in fortifying the social security protection for Malaysian employees, ultimately contributing to a resilient and sustainable workforce.