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THE ISSUES OF EMPLOYING FOREIGN
WORKERS IN MALAYSIAN CONSTRUCTION
INDUSTRY

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ABSTRACT

Labour force is one of the important elements in construction in order to ensure the construction runs smoothly within the period of time given along with an excellent quality. However, the management of foreign workers on construction site in Malaysia is getting tedious day by day. There are also a number of issues related to the foreign workers. The entrance of foreign workers in Malaysia may cause issues such as communication problem, social problem, cost and time problem and lastly productivity and efficiency problem. Thus, the aim of this study is to help reducing the issues faced by the contractor's organisation when employing foreign workers by investigating the issues faced by contractors' organisation, studying the factors influence the foreign workers" issues in construction industry and also recommending the solution to solve the issues when employing the foreign workers. A hundred questionnaire sets have been distributed to the Grade G7 contractors' organization in Kuantan, Pahang, Malaysia through an online survey platform which is Google Form. Those questionnaire forms contain selection of simple and predetermined demographic question as well as likert scale answers. Then, the data was analyzed by using average index method and frequency analysis. The result shows that the foreign workers are bad at expressing themselves due to poor communication skills, do not follow the safety rules and regulation when working on site and the cost of hiring the foreign workers is high. The result of the first factor that influence the issue was the availability of workers where hiring foreign workers is easier rather than the locals due to local hesitancy, not interested to work in a poor condition. The recommendation to reduce these issues are that the professionals should deliver their messages to the foreign worker precisely and make sure they understand the instruction given, imposing a fine to the workers who did not wear their safety equipment and to hire the foreign workers based on their experience and skills.

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CHAPTER 1: INTRODUCTION

1.1 INTRODUCTION

Among the countries in Southeast Asia, Malaysia has become one of the most rapidly developing countries in the world where big projects are being launched since three decades ago (Najib et al., 2019). The construction sector is well known for having a significant impact on the economy of Malaysian country which means that it is crucial in generating the economy. Because of its interconnection with the rest of the economy, the construction industry which accounts for less than 5% of gross domestic products (GDP), is an important growth enabler. (Marhani et al., 2012). However, due to the deadly virus in 2020, the world economy is actually facing a tight situation in the labour market. Malaysia despite realizing the dependence towards the foreign workers may affect the economy growth, the dwindling interest among the locals and a high turnover in the construction industry leaves the employers no choice but to depend on foreign workers (Chu, 2015).

Manpower is one of the important factors in construction industry in a country but a large number of foreign workforces are being relied on too much. In Malaysia, the employments of foreign workers that are accepted from several countries are usually from Indonesia, Bangladesh, Filipina, Thailand, Myanmar and India (Marhani et al., 2012). Kassim (2005) mentioned that the foreign workers recruitment in the construction industry has already started way back in the industry's heyday in the 1970s, when these labourers, mostly Indonesians, had already worked in Malaysia's agricultural sector before moving to urban areas to work in construction industry. Besides that, one of the most important variables in ensuring the effective completion of a construction project is labour resource. Since Malaysia is still a developing nation, the number of foreign workers entering Malaysia increases rapidly as they are looking for a job mostly at construction site.