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THE IMPACT OF FOREIGN WORKERS EMPLOYMENT
IN THE MALAYSIAN CONSTRUCTION INDUSTRY:
CONTRACTORS' PERSPECTIVE

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ABSTRACT

The availability of labour resources is critical to a project's success (construction). In Malaysia, the nature of construction work is still labor-intensive. Every year, over a million construction workers are required, with most of them being foreigners. Foreign labour involvement has served Malaysia evolve into a very successful country by increasing the economy's output in the construction industry. However, there were several issues that emerged because of the excessive of foreign labour. Problematic workers not only cause project delays, but also produce low quality work. Besides, migrant workers also provide benefits to employers, and employers are more willing to hire foreign workers than domestic workers. As a result, the aim of this research is to determine the impact of foreign worker employment in contractors' companies G7. A total of 109 questionnaires were delivered to the contractors' companies G7 in Petaling, Selangor to meet the study's goal. A total of 87 questionnaires were returned, and those answers will be used to make an analysis. Questionnaire's survey will be held for G7 registered contractors in CIDB. This research is expected to discover the exact factors that contributing to the employment of foreign workers in the construction industry and the strategies to minimize the number of foreign workers. The current findings demonstrate that the contractors were comfortable with a particular attitude of foreign labour, namely that they are not picky about the type of work they do. Apart from that, the most of them were urging to find work, and they were also more motivated than local labour since they work for money, and our currency is higher than their home countries. With that, they can save a lot of money this way before returning to their homeland. Although contractors prefer to recruit foreign labour, the government should try to ensure that local workers have opportunities to engage in the construction industry. It is since the entry of foreign labour must be regulated. The government may implement incentive programs to improve the working conditions at building sites, as well as influence the local

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TABLE OF CONTENTS

ABSTRACT	i
ACKNOWLEDGEMENT	iii
LIST OF FIGURES	ix
LIST OF TABLES	ix
CHAPTER 1: INTRODUCTION	1
1.1 OVERVIEW	1
1.2 PROBLEM STATEMENT	2
1.3 RESEARCH AIM	4
1.4 RESEARCH QUESTIONS	4
1.5 RESEARCH OBJECTIVES	4
1.6 SCOPE OF RESEARCH	5
1.7 RESEARCH METHODOLOGY	8
1.8 SUMMARY OF CHAPTER	11
CHAPTER 2: LITERATURE REVIEW	12
2.1 INTRODUCTION	12
2.2 DEFINITION	15
2.2.1 Definition of Contractor.....	15
2.2.2 Definition of Foreign Workers.....	16
2.2.3 Definition of Local Workers.....	17

CHAPTER 1: INTRODUCTION

1.1 OVERVIEW

These days, migrant workers are across the world, and so many growing countries such as Malaysia, are facing this phenomenon. Mainly, migrant workers can be described as individuals from one spot to another to be recruited. These definitions indicate that migrants were indeed non-nationals, but they were aliens (Amin, Aziz and Hamid, 2019). Migrant workers prefer to give almost all their earnings to the village in their homelands. According to Mohamed et al. (2012), Malaysia has indeed been overly reliant on foreign labour for the last years, with the number of immigrants rising in Malaysia. Ministry of Finance Economic Outlook 2019 Report states there were already 1.7 million registered immigrant workers in Malaysia, 37.1 per cent in the industrial sector, 17.8 per cent in the building sector, and 15.8 per cent in the plantation sector.

Currently, foreign employees are receiving lower wages, even though they work overtime (Marhani et al., 2012). Living conditions in these societies are also below standard. When the work is completed, foreign workers either return to their homelands or go to another area or country searching for more jobs. The Zaki, Mohamed & Yusuf (2012) study found that the construction field provides a large number of jobs to citizens who are not picky and are in dire need of a job. Unfortunately, only migrant workers are determined to come into this construction sector. Low wage assurance makes local people believe that such work is not for them.

The construction sector is indeed one of the significant industries closely linked to the sectors of the economy. With the increasing number of constructions in Malaysia, the national income also could be increase. The construction industry requires a large number of labours to fulfil the work at sites during the increasing number of construction projects. Basically, in the construction industry, labour being classified