

INDUSTRIAL TRAINING REPORT



2023



KWSP
EPF

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UNIVERSITI
TEKNOLOGI
MARA

BACHELOR OF BUSINESS ADMINISTRATION (WITH
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HUMAN RESOURCE MANAGEMENT
FACULTY OF BUSINESS AND MANAGEMENT

DECLARATION OF ORIGINAL WORK

I, EREEN NURTIARA BINTI MOHD AZRIN (2020899154)
hereby **declared** that:

- This internship report has not previously been accepted in substance for any degree and is not concurrently. submitted for this degree or any other degrees.
- This internship report is the result of my independent work and investigation except where otherwise is stated.
- All verbatim extracts have been distinguished by quotation marks and sources of my information have been specifically acknowledged.

22.07.2023

(EREEN NURTIARA BINTI MOHD AZRIN)

DATE

AUTHOR OVERVIEW



The interaction of knowledge and skills with experience is key to learning. - John Dewey

As a student, I believe that most of us do not have adequate experience and soft skills to put ourselves in working field. However, by going for internship will open some doors for us. In addition, with the guidance and advice from the superior, we will manage to grab the opportunity and gain as many knowledge as we can.

Executive Summary

The experiences and knowledge I received during my internship at Employees Provident Fund (EPF) were valuable and precious. The 6 months journey at EPF Kwasa Damansara taught me a lot in developing my soft skills, enhancing my ability to receive and deliver information, and unleashing my talent as an EPF ambassador. All of these unforgettable experiences inspired me to document them in this industrial training report.

In addition, this report determines my goal and internship experience, beginning with my duties and tasks as an ambassador in the customer service department. My duties include promoting EPF's products such as nomination, self-contribution, i-Saraan, i-Sayang, i-Lindung, and many more. Moreover, I need to revise and do document checking every time EPF's members want to withdraw account 2 money for education, housing loan, or health purposes.

Furthermore, this report also covers the company's interpersonal relationships as well as the difficulties I encountered, like my lack of experience with engagement with other people and how I overcame all of these difficulties. Additionally, this report also includes a section for the analysis and reflection of the internship where it was discussed what knowledge I learned from the internship, what conceptual knowledge I applied in the internship, and work satisfaction with my work at Employees Provident Fund (EPF) during the internship.

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2.0

THE

STUDENT'S

PROFILE

3.0

THE

COMPANY'S

PROFILE

3.0 Company's Profile

The Employees Provident Fund (EPF) is one of the world's oldest provident funds. Established in 1951, we help the Malaysian workforce to save for their retirement in accordance to the Employees Provident Fund Act 1991.

Today, we at the EPF continue to refine our vision to not only stay relevant but to create a better retirement for all our members. This strengthens our commitment in safeguarding our members' savings and increasing our dedication in providing excellent services.

In tandem with our main vision in helping members achieve a better future, we have extended our mandate to include aiding national infrastructural development while safeguarding and growing members' retirement savings.



Diagram 3.1.1 EPF's official logo

Company's Name	: Kumpulan Wang Simpanan Pekerja (KWSP) / Employee Provident Fund (EPF)
Company's Address	: Menara KWSP, Persiaran Kwasa Utama Pusat Bandar Kwasa Damansara, Seksyen U4, 40150, Shah Alam, Selangor
Type of Company	: Statutory Body under the Ministry of Finance
Industry	: Social Security Organization
Year of Founded	: 1951
Owned By	: Ministry of Finance
Current Chairman	: Tan Sri Ahmad Badri Mohd Zahir, since 1 May 2020
Number of employees	: More than 5,700 employees
Websites	: www.kwsp.gov.my

3.2 Employees Provident Fund (EPF) Business Background

Employees Provident Fund (EPF), the country's main retirement platform, provides financial security to the older population in retirement, notably to those in the private and non-pensionable public sectors of the workforce. The EPF was created as a shared contribution between employers and employees, even though distinct contribution portions were formed depending on income levels.

Employees with monthly incomes of RM5,000 or less are expected to contribute 11 percent of their monthly salary to the fund, as opposed to their employers, who are required to pay 13 percent based on the employees' monthly salaries. All private workers are expected to contribute to the program in accordance with the EPF Act of 1951 (Hassan et al., 2018). However, for the first three years of their employment, public employees are required to make contributions to the program. They also have the choice to move to the government pension program. Since each retiree will get a sizable monthly pension that reflects half or more of his or her final drawn income, a sizable proportion of public employees who choose the government pension plan does not have to worry about financing their retirement needs.

However, as there is no special pension plan for private employees, it is crucial for them to set away a certain amount of each month's pay as EPF contributions. Private employees can build up a specific amount of money for their retirement costs by diverting a set part of income into the EPF plan. This so continues the legacy of the provident fund idea in that it provides a savings vehicle for people who are insured while employed and get lump sum payments upon entering retirement or even leaving the country.

In recent years, retirement savings has become a significant national concern. In this approach, the workers are given some guarantee that their retirement income will be adequate. The EPF program is far more flexible now than it was ten years ago, allowing for a variety of pre-retirement withdrawals, such as those for funding higher education and personal computer purchases in 2000 and property purchases in 1994. A contributor's account is split into three accounts (Account I, II, and III), each of which is divided into 60%, 30%, and 10% of the total amount, respectively, as part of the EPF's first reform, which was put into place in 1994. This guarantees that the majority of the contribution goes to Account I and is meant for retirement.

Later, in 2006, the EPF's member accounts were reduced from three to two in order to increase the governance of the EPF's overall efficiency and effectiveness. Contributors may withdraw funds from Account II while they are still employed for housing, health, and educational expenses, and they may withdraw the entire balance once they turn 50. This illustrates how allowing too many pre-retirement withdrawals may compromise a retirement fund's principal objective of delivering adequate retirement income for older workers. Thus, it is predicted that the total amount of savings produced by EPF contributors will be less than what is required for retirement.

3.3 Employees Provident Fund (EPF) Vision and Mission Statement

For strategic direction, it is crucial for a company to have a vision and mission. It helps the employee in understanding the organization's goals and purposes. It is a crucial component of a company's strategy since it provides a road map for the future by helping to prioritize tasks, allocate resources, and make sure that everyone is working towards the same goals and objectives.

The **vision statement** for EPF is to help members achieve a better future. Since EPF is a social security organization, it has become the responsibility of EPF to make sure every registered Malaysian citizen has basic savings and retirement plan even before they reach age of 50 years old.

Meanwhile, EPF's **mission statement** is to safeguard members' savings and deliver excellent services. In keeping with the mission to establish a world-class social security organization that offers Malaysians the greatest retirement savings options, they are devoted to sustaining the commitment to quality, and management is tireless in its pursuit of the highest possible standards of quality.

3.4 Employees Provident Fund (EPF) Values and Belief

Every company needs its own values and belief to deliver its best products or services. This is one of the business strategies to gain the trust and respect of the customer. Values and beliefs are important for every company to remind their initial purpose and aim in the business so they do not divert from the original purpose.

EPF is a company that has been established for a long time. This company is also in the center of attention and concern to Malaysians because it is a company that promises a bright retirement if they invest in the EPF. Hence, many issues are arising every time there is a budget announcement (Belanjawan) by Ministry of Finance. Because of that, EPF instills values that can lead this company to be better than others. Thus, becoming a well-respected company and in fact, becoming a company that Malaysians can trust.

EPF believes that **integrity** will bring this company a lot better. EPF adheres to strong moral and ethical ideals and values by being truthful and acting in a consistent, unwavering manner. Integrity is defined in ethics as being honest, true, or accurate in related activities. For example, EPF has been honest in declaring dividends every year by showing how the calculation of dividends would be.

Next, EPF strives for **continuous improvement** time by time. The EPF is dedicated to undergoing constant change in order to achieve its obligations to its stakeholders, particularly its members, and to assist the country in creating a comprehensive ecosystem for social wellness.

Other than that, EPF **maintains a good relationship with its customers**. EPF views quality as a lifelong journey in which they gain knowledge from mistakes and continually improve. As part of the improvement effort, the employees work together with customers and suppliers to assure quality so the customers are satisfied with the products and services.

Lastly, by dismantling silos, EPF fosters the ideals of **teamwork** and establishes a positive working atmosphere that made employees comfortable to work and easier for customer to deal with their matters.

3.5 EPF Kwasa Damansara's Organizational Chart

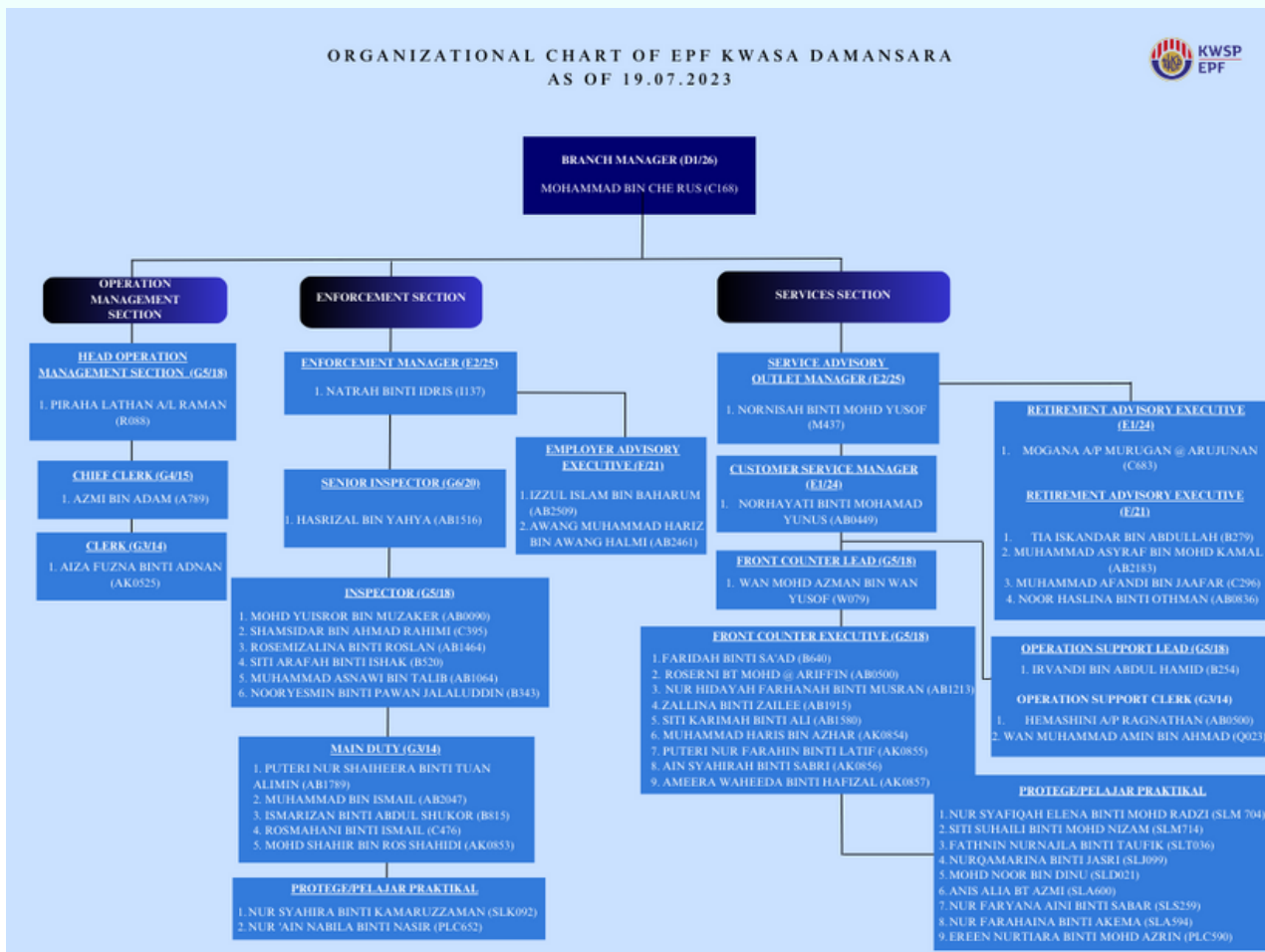


Diagram 3.5.1 Services Department's Organizational Chart

The diagram above shows the current overall EPF's Services department's organizational chart. The main person in charge in the organization is Encik Mohammad bin Che Rus which he uphold the role as the Branch Manager, that lead the entire organization. As what been illustrated in the organization chart, Employee Provident Fund was founded with 3 main sections, that are namely Operation Management Section, Enforcement Section and Services Section. Under each of the section, there will be a manager that will lead the teams. The person that in charge under Operation Management Section is Dr. Piraha Lathan A/L Raman. Next, the Enforcement Manager, Puan Natrah binti Idris is in charge of all Enforcement sections that consists of Inspector, Main Duty, and Employer Advisory Executives. For services section, the important person in the organization is Puan Nornisah binti Yusof which, she titled the role of Service Advisory Outlet Manager.

4.0

THE

TRAINING'S

REFLECTION

4.0 The Training's Reflection

4.1 Duration of Internship Placement at EPF

I started my internship at Employee Provident Fund (EPF) on 1st March and ended on 15th August 2023. Since I only work on the weekdays and have two (2) days off during the weekend, I spent 24 weeks and 121 days there. In the span of these six months, I have a flexible working time in which I need to finish 8 working hours excluding break time every day. As an intern, I am also eligible for one (1) day off every month and I need to utilize it because I cannot carry forward the day off.

Sometimes, I worked on the weekend too if we had an event or program to attend. For example, I needed to work on Sunday because the management decided to open a booth at 'Jom Heboh' on 4th June 2023 and attend an event at UiTM Puncak Alam on 17th June to give a talk regarding 'basic savings' for students there. Due to that, I was granted extra 'Masa Kelepasan Gantian (MKG)' amounting to 15 hours.

4.2 Specific Date, Working Day and Time

Since I work in the services department, it is compulsory to arrive before 8:30 in the morning and can get back home after 4:30 in the evening. However, to complete the 9 working hours, I need to come one (1) hour earlier than service counter operation hours to be able to go back home at 4:30. If I came a little bit late, I still need to complete the 9 working hours. For example, if I came at 8 in the morning, I can go back home at 5 pm.

I also entitled for a half day off. Since I have a day off, I can split it into four (4) hours off in a day and have another four (4) hours off in another day. If I apply for morning half day, I needed to come to work at 1 in the evening and finish the four (4) working hours. As long as I complete the 8 hours excluding the break time, it should be no problem.

4.3 Placement Department Throughout Internship



Diagram 4.3.1 Services Department at EPF Kwasa Damsanara

At EPF, the Human Resource Department which known as the People Matters Department (PMD), decided to place me at services department. According to them, I was place in service department because they do not open an intern position in PMD department. In the services department, I do a lot of marketing and cross-selling throughout the six months of internship that called as an ambassador. All of the interns and proteges in this department are responsible as an ambassador.

Being in this department taught me a lot of interpersonal skills, time management and teamwork. These skills help me in doing marketing and cross selling of EPF's products such as nomination, Shariah Saving, i-Sayang, i-Lindung, i-Saraan, i-Invest, self contribution and many more.

Other than provide customer service, I also need to do document checking every time the customer wanted to withdraw their account 2's money for certain purposes: health, buy/build house, reduce/redeem housing loan, education, housing loan monthly installment, savings of more than 1 million. Some of the withdrawal can be done on EPF's website but some needed to be done at the counter.

Apart from the ambassador, this department offers another service like Retirement Advisory Service (RAS) and Employer Relation Services (EAS). RAS is led by Puan. Mogana along with Encik Tia Iskandar, Puan Haslina, Encik Asyraf and Encik Afandi. This position is to assist customers in becoming financially literate as well as understanding sustainable retirement options that can raise their retirement savings as part of the EPF's long-term commitment to improving its services. RAS also run financial planning for retirement awareness campaigns and provide fundamental instruction. In other words, RAS is responsible for giving advice regarding retirement plans for every customer that reaches the age of 55. Some customers are eager to withdraw all of their money from EPF when they reach the age to do so and it could lead to zero savings in another 5 years after they withdraw the money.

Other than that, EAS consists of Encik Izzul Islam and Encik Awang Muhammad Hariz. This service is for employers can get specialized advising support from ERS. With the help of this policy, employers should be able to meet their financial obligations and contribute their fair share to the EPF. The EPF will evaluate the particular circumstances of impacted enterprises through the EAS and give tailored solutions on the EPF contribution schedule as stipulated by the EPF Act 1991. The actions could be as simple as rearranging contribution schedules or staggering payments for unpaid contributions.

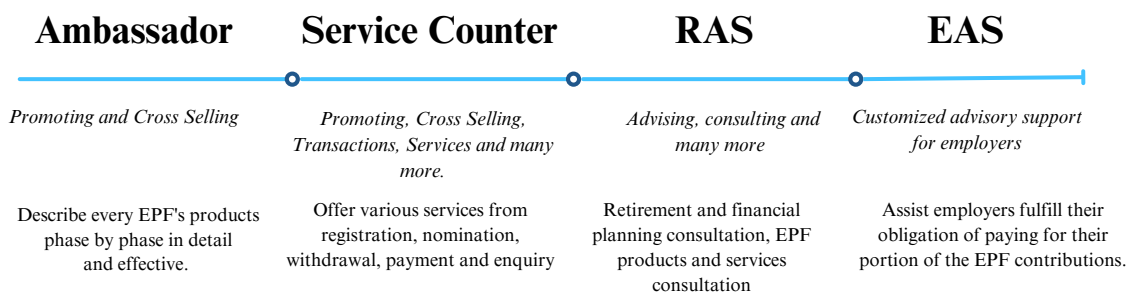


Diagram 4.3.2 Various services offered by Services Department

4.4 Job Roles and Responsibilities

JOB ROLE	AMBASSADOR
JOB DESCRIPTION	<ul style="list-style-type: none"> (i) Promoting EPF’s products <ul style="list-style-type: none"> • Nomination, i-Saraan, i-Sayang, i-Lindung and many more. (ii) Assist customer for online withdrawal <ul style="list-style-type: none"> • Age, buy/build house, education, health, etc. (iii) Self-Service Terminal <ul style="list-style-type: none"> • The newly developed kiosk is a new convenient way to make simple transactions such as opening up an i-Akaun, withdrawal thumbprint, updating personal information, and so much more. (iv) Document checking <ul style="list-style-type: none"> • Assisting customers to do document checking before passing them to the counter for withdrawal account 2. (v) Assisting at back end <ul style="list-style-type: none"> • Roughly analyze and check on the nomination's document to make sure every information is correctly filled by members before sending it to the transaction management. (vi) Outreach <ul style="list-style-type: none"> • Open a booth at a selected shopping mall to promote EPF’s products such as MidValley and Lotus’s. Assisting a talk at AIG Insurance Berhad and Emersive Sdn. Bhd. Participated in ‘Jom Heboh’ and Financial Wellbeing at UiTM Puncak Alam.

Table 4.4.1 Job Roles and Responsibilities

4.4 Job Roles and Responsibilities

JOB ROLE	AMBASSADOR
JOB DESCRIPTION	<ul style="list-style-type: none"> (vi) Outreach <ul style="list-style-type: none"> • Open a booth at a selected shopping mall to promote EPF’s products such as MidValley and Lotus’s. • Assisting a talk at AIG Insurance Berhad and Emersive Sdn. Bhd. • Participated in ‘Jom Heboh’ and Financial Wellbeing at UiTM Puncak Alam. (vii) Inspection <ul style="list-style-type: none"> • Assisting in an inspection to members’ houses for incapacitation cases. • The incapacitate members needed to fill and sign a form to apply for incapacitation withdrawal. (viii) Employer <ul style="list-style-type: none"> • Assisting employers to register their company and make a contribution for their employees (ix) Declaring and collecting statistics <ul style="list-style-type: none"> • Need to update the details and statistics every day before 4:30 pm through whatsApp. (x) Data key-in for outreach program <ul style="list-style-type: none"> • Update the data every time there is an outreach program in excel and email it to Cik Zallina, the person in charge for the outreach program

Table 4.4.2 Job Roles and Responsibilities

4.5 Intrinsic and Extrinsic Benefits

4.5.1 Intrinsic Benefits

Since I was assigned as an ambassador as my main role at the service department under the EPF Kwasa Damansara Branch. It primarily focuses on providing EPF members with effective and customer-focused services and assuring their happiness with the service provided. addressing the members' inquiries and concerns about EPF policies, rules, and processes while also offering support. Serving customers is our first priority because we are a customer-focused firm. I provided individualised assistance to EPF members who visited the service desk. This required paying close attention to their problems, understanding what they needed, and giving pertinent counsel and solutions. This include aiding members with the completion of relevant forms, clarifying the documentation that is needed, and assisting them with the application processes that they have applied. For instance, members can register nominations on the i-Akaun website, which will walk them through the process.

Because members must get information in a clear, succinct, and accurate manner, effective communication is essential. My ability to **actively listen** has improved, which has helped me better grasp the needs and concerns of the members. The ability to solve challenges will come from having excellent communication skills and the capacity to fully comprehend team members.

By effectively analyzing and resolving member concerns and issues, my **problem-solving** talents improved. Managing the service division is crucial when it comes to document verification, too. To ensure adherence to EPF laws and rules, I carefully examined and validated member papers. Maintaining data privacy, following standard operating processes, and paying close attention to detail were all requirements for this work. I have developed competence in authenticating, certifying, and ensuring that EPF member documents adhere to EPF criteria. Identification documents, employment records, and other supporting documents had to be carefully examined for this. In a nutshell, guiding members through the application processes, explaining the essential papers, and helping them fill out appropriate forms.

4.5.2 Extrinsic Benefits

As an intern at EPF Kwasa Damansara, I was offered an allowance amounting RM 750 per month but EPF only provides the allowance for the first three months only. However, during my third month, People Matters Department (PMD) changed the regulation according to the Boards to increase the amount of the allowance for Degree's intern. Not only that my allowance is increasing to RM 1,000 but I also got the allowance every single month.

Other than that, I am also entitled to "Masa Kelepasan Gantian (MKG)", whenever I am involved in weekend outreach. Meaning that I am entitled to get rest according to how many hours I was working on the weekend. Since I am only an intern, they would allow me to get this benefit only. Unlike staff and the other officers, they were given two options, which are MKG or allowance.

Last but not least, I am entitled to have one (1) rest day every month. However, if I am not using the rest day, I cannot carry forward this rest day and must use it within the month. Another scenario is, if I took more than one (1) rest day, PMD will cut my allowance amounting RM 6.25 per hour or RM 50 per day.

5.0 SWOT ANALYSIS

5.0 The SWOT Analysis

Strategic planning technique SWOT analysis provides evaluation tools. This is a fact-based analysis, and by identifying the company's underlying strengths, weaknesses, opportunities, and dangers, new perspectives and creative ideas have been generated. A SWOT analysis incorporates information from both internal sources, such as EPF's strengths and weaknesses, and external forces, such as opportunities and threats, that could have an uncontrollable impact on decisions. A SWOT analysis' findings are commonly cited in support of a decision that a corporation must make.

5.1 Employee Provident Fund (EPF) SWOT Analysis

The SWOT analysis and statistics are based on the present data and circumstances across EPF's operations and management, as shown in the diagram below (Figure 5.1.1). EPF has a reputation for offering excellent services and safeguarding member savings. This is a result of strategic SWOT planning and competition to set the groundwork for equitable and long-term well-being for all Malaysians.

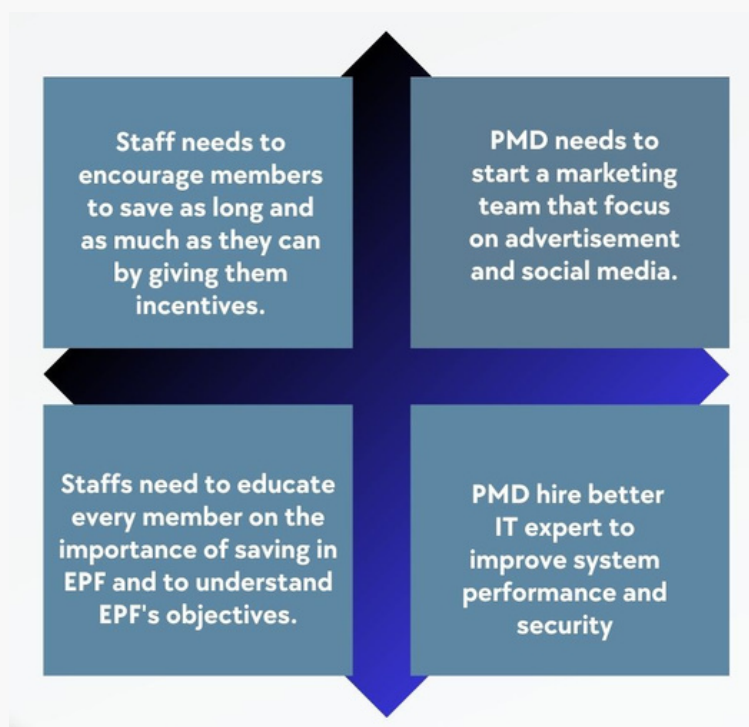


Figure 5.1.1 SWOT Analysis for Employee Provident Fund (EPF)

5.2 Employee Provident Fund SWOT Analysis: Strength

5.2.1 Variety products offered by EPF

EPF is famously stereotyped as a platform for saving for retirement only. However, EPF is more than that. EPF provides many great products that are very useful to the members such as self-contribution, i-Saraan, i-Sayang, i-Lindung, and many more. All of these products are intended to protect members' funds from being used before they retire. This is a strength for EPF because having a lot of products can gain and attract more members to save in EPF. These products not only could increase the amount in the saving but as well could have some financial protection throughout the lifetime.

The products are divided into three (3) parts: registration, contribution, and withdrawal. For **registration**, EPF is not for opening an EPF account only but can register for nomination, i-Sayang, and i-Lindung. These products are intended to safeguard the members' savings and to avoid unnecessarily complicated situations in the future. Hence, with this initiative, EPF makes sure that all related products benefit and satisfy the members.

Meanwhile, EPF provides a **contribution** product to ensure that every member has enough basic savings for retirement. Some people might have planned their future precisely by wanting to enjoy their retirement funds and avoid working after age 55. Thus, this self-contribution helps members to save more while they are young and enjoy more of their retirement money later.

However, EPF saving is not for retirement **withdrawal** only because EPF provides a withdrawal from account 2 for special purposes such as buying/building houses, education, health, reduce/redeem housing loan, housing loan monthly installment, and savings of more than 1 million. This is an initiative from the EPF to help the members to pay for the necessary from the EPF saving. However, account 1 cannot be withdrawn until the official retirement age. Plus, EPF also offered monthly withdrawal for age 55 to encourage members not to withdraw the money in lump sum and emptying their saving in EPF account.

5.2.2 Strong financial position

Malaysia Employees Provident Fund is ranked 271st by the Financial System Benchmark. Given that it is ranked 24th out of 30 financial institutions and 29th out of 59 rated pension funds in South-Eastern Asia, it has the potential to outperform its industry rivals and the local environment. As of 31 December 2020, the EPF had assets worth RM998 billion (US\$238 billion), making it the fourth-largest pension fund in Asia and the seventh-largest worldwide.

Additionally, EPF recorded an investment income of RM15.16 billion for the first quarter that ended on March 31, 2023 (Q1 2023), an increase of 3% over the RM14.77 billion reported for the same quarter in 2022. The amount was calculated after netting down write-downs of listed stocks.

Environmental, social, and governance (ESG) concerns are crucial for making more informed and comprehensive investment decisions, according to EPF, which also recognises the importance of financial considerations. In addition, EPF believes that vision-driven corporate practises will influence and impact investee companies and neighbouring businesses, which will benefit our members and contribute to a larger sustainability ecosystem. This is because EPF is a well-known organisation in Malaysia.

The dividend for conventional savings is 6.10% in 2022, whereas the payout for shariah savings is 5.65%. EPF is still able to operate at its highest level and remain unaffected by the situation even after a Covid-19 pandemic. This demonstrates that EPF had maintained its level for the year 2021 and had remained resilient, thanks in part to our robust and widely diversified global investment portfolio.

5.2.3 Long term saving

Every member of the Employee Provident Fund (EPF) intended to have adequate retirement savings as part of the EPF's objective. This provident fund was founded with the intention of encouraging long-term saving, and it works to increase its members' retirement savings while consistently creating a wide range of goods and services to aid in their journey to a pleasant retirement.

Depending on their needs, people who are employed, self-employed, or run their own businesses might choose to contribute. As a member, they are entitled to several withdrawal options and advantages in addition to receiving yearly returns on their retirement funds.

Members can keep their money in EPF until they reach the age of 55, which is the age of eligibility for full withdrawal. However, they can make partial withdrawals for specific purposes such as education, healthcare, or housing before reaching the age of 55. Also, once they turn 55, they can choose to withdraw in a lump sum, partially, monthly, or keep the money in KWSP and continue to earn dividends until the age of 100.

Members of the EPF are permitted to continue making contributions even after turning 75 as long as certain restrictions and conditions are met such as being limited to an annual contribution of RM 100,000.

5.3 Employee Provident Fund SWOT Analysis: Weakness

5.3.1 Lack marketing of EPF products and services

Since EPF is only well-known for retirement savings, many people do not know that EPF provides more than that. With the lack of marketing through social media, such as Instagram and Twitter, EPF cannot bring awareness to its products and services. Based on my observation, EPF has become one of the companies that strive for digitalization yet they still fail to understand the importance of promoting through social media.

Before joining EPF, I rarely to almost never knew that EPF has social media. If there is no announcement regarding EPF on the news, there is no way that members would bother about EPF unless they turn 55 years old. This is a huge concern since EPF offers many good products and services but it seems like the marketing team does not put an effort for promoting them.

In addition, members-only tend to be aware of withdrawal compared to contributing in EPF. This negative mindset has been instilled from a long time ago and withdrawal of EPF savings will cause financial shortages in old age. This will increase the statistics of the poor citizen.

In the website, EPF does not specifically promote their social media and rely on the website only. They miss the golden opportunity to actually promote and fully utilize the advancement of technology. This has been a loss for EPF to use social media as their main platform to promote their products and gain more members.

5.3.2 Lack of technology at e-services

E-services have been EPF's new initiatives to lessen the number of members to the counter. These initiatives can actually save a lot of time for the members and can provide better service to the members.

In addition, with digital channels becoming a norm in work and lifestyle needs, the importance of building these channels must be a priority. To that end, EPF has recognized these growing demands and initiated its Operations Transformation 2.0 back in 2017. Since then, the fund has engaged in several digitization initiatives. These initiatives serve to improve both the customer experience and internal operational efficiency. However, EPF seems to have failed to have a good system.

For example, a nomination can be done online, However, the members still need to go to the counter for the thumbprint for approval. The short period of the transaction can be a long time for them to wait for their number to be called for a thumbprint at the counter. Another example is, EPF just launched an application for members to check their own savings and download their statements, however, instead of upgrading the old apps, the IT department decided to create a new application that could confuse the members.

With this kind of lacking, EPF will lose a lot of members' interest since there are two (2) confusing applications that could be downloaded from the application store or play store. Members would be fear to do contribution through the application because they are scared of being scammed since it would involve a huge amount of money.

Supposedly, this should not be a problem for EPF since EPF has been established for a long time. They should have managed and tackle this problem earlier. The management could have precisely planned and avoided this obstacle.

5.3.3 Strict condition on EPF's withdrawal

EPF has long been extremely stringent about withdrawals for things like health, buying or building homes, paying off or redeeming mortgages, education, housing loan monthly installments and savings of over \$1 million. Strict guidelines must be established if the government were to permit withdrawals from Account 1 of the Employees Provident Fund (EPF) in order to prevent people from using up their savings.

Many people think that if EPF allows withdrawal, it would lessen the burden of the members but it would only drain the retirement savings. The association would like to emphasize that skilled workers in the manufacturing sector are severely impacted by the current situation due to the decline in overtime, which has been their supplemental source of income, even though the government has strong and valid reasons to not permit such withdrawals.

Members appear to discourage contributors from adding more when things are good when the government forbids withdrawal because many would be unlikely to contribute if it cannot be withdrawn, even in dire circumstances. They would think that saving at the bank or other would make them easier to withdrawn the money whenever needed such as emergencies or to pay for light medical fee.

5.4 Employee Provident Fund SWOT Analysis: Opportunities

5.4.1 Incentives by the Government

The Government's matching grant for gig economy platform users to contribute to their EPF savings through the i-Saraan program is welcomed by the Employees Provident Fund (EPF).

The EPF's i-Saraan is a voluntary contribution program with rewards for independent contractors. An important aspect of this program is that participants under the age of 55 who have registered and made contributions will also receive a special government incentive of 15% or up to a maximum of RM250 per year.

The government announced an RM50 million allocation for the Economic Recovery Plan, which will assist the gig economy's social security system and encourage gig platform workers to save money for the future. The government is making a timely attempt to change with the changing nature of work via this initiative. The pandemic crisis, which has completely interrupted our workplace, has made this year even more chaotic and difficult. EPF, though, is heartened to see many making a change to take advantage of the opportunity presented by this crisis.

To get by during these tough times, many have decided to work for food and package delivery services. The drivers and delivery riders on Malaysian gig platforms, in particular, have been the lifeblood of our country's economy during these trying times. However, since they are considered independent workers, there are no official ways for them to set money down for the future.

With this incentive, the government wants to motivate these workers to start saving. EPF members who participate in i-Saraan, which is completely optional, will receive all of the same benefits as those who are fully employed by the EPF, as well as an additional contribution from the government to encourage them to save more.

5.4.2 Competitive Returns

The dividend payout for traditional savings by EPF for the previous 10 years has been 5.8% in 2010, 6% in 2011, 6.15% in 2012, 6.35% in 2013, 6.75% in 2014, 6.4% in 2015, 5.7% in 2016, 6.9% in 2017, 6.15% in 2018, 5.45% in 2019, and 5.2% in 2020. This shows a consistent and sustained investment in EPF even though we were facing the global condition, of Covid-19. The trend of dividend and investment does not go below 4% and that illustrates how EPF has good investment returns.

RM68.89 billion in 2021 to RM55.33 billion as of December 31, 2022, the EPF recorded a reduced total gross investment income due to excessive market volatility and lower values in the stock and fixed-income markets.

Following the excellent recovery in the Malaysian labor market, the EPF also recorded a solid comeback in member registrations, which helped the fund record high growth of new member registrations of 635,989 in 2022.

5.4.3 Extending from formal to informal sector

EPF has expanded its reach to include both the formal and unofficial sectors. On the other side, self-employed or own-account workers make up 16.8% of all Malaysians who are employed. These people, who make up the second-largest employment category in Malaysia, are classified as employees in the informal sector.

EPF utilize the trend of freelancing as many members' lifestyle to attract them to save in EPF. EPF opinionated that even though many members do not have a company to contribute to their EPF saving account, EPF will cover that by allowing them to save in the EPF and gives them incentive as well. So, even the informal sectors have the same opportunity as formal sector to have savings for retirement later. Also, government incentive to encourage self-employed individuals to contribute to their EPF savings.

The informal sector consists of photographer, taxi drivers, independent gig workers (e-hailing drivers such as Grab, e-commerce delivery such as Shopee agent), Bloggers, Youtubers, influencers, and content creators.

5.5 Employee Provident Fund SWOT Analysis: Threats

5.5.1 Higher risk of breach of data, theft and discrimination

Just like any online data, the account information of Employees Provident Fund (EPF) contributors is vulnerable to cyber-attacks. Therefore, it is very likely that account holders who have requested a withdrawal could end up losing their savings.

A member, for instance, lost their money after applying to the i-Sinar program because they did it online through the EPF website. This demonstrates how EPF's information security is still lacking and need further development. This flaw was exposed in a recent fraudulent effort to withdraw money from an EPF account belonging to a woman using the i-Sinar program.

The majority of sensitive data is protected by security measures, although they are not perfect. A one-time password (OTP) is only as safe as the confidence that the smartphone used to give it belongs to the proper owner, according to a cyber security expert.

EPF can also hire cyber-security experts to stress-test the system to identify its weaknesses and vulnerabilities and offer remedies. Employees should also be systematically educated to ensure that they do not become victims or conduits for security breaches.

5.5.2 Cost of living

One of the issues driving people to choose EPF withdrawals is the high cost of living since they consider it as a simple way to get money. This is why the government should concentrate on finding a comprehensive solution to the rising cost of living while also taking proactive steps to assist people who have lost their employment and petty traders who are fighting to maintain their enterprises.

The rising cost of commodities is not simply a local problem; it is a worldwide one, as other countries like the US (United States), the UK, and European nations are also experiencing it. As a result, the government must look for comprehensive answers.

Many members are in urgent need due to the unemployment rate, inflation, and low average income. Members do not have any other alternatives to get money other than using their own retirement savings.

During pandemic, Government allowed special withdrawal twice for continuous living since many members lose their job and unable to work. However, members become comfortable and forgot the initial purpose of EPF. They think that EPF withdrawal will become a solution to every financial problems now. Hence, EPF does not allow anymore withdrawal since there is no pandemic.

5.5.3 Political agenda

Employees Provident Fund (EPF) has been fiercely protected by Malaysians from political intrigue for decades. Any politician who even openly entertained the thought of using EPF funds against the interests of its contributors ran the prospect of suffering costly retaliation at the polls. Saddest of all is how few politicians and union leaders have openly defended the integrity of EPF funds. The opposition's utter silence is even more terrible.

However, the EPF is actually sitting on a wealth of assets. As of December 2020, it had investments worth more than RM1.06 trillion. The fund receives tens of millions of dollars or more in statutory contributions from businesses and employees each month. The temptation to raid the EPF fund is definitely enticing given the extent of its resources.

The enormous funds held by the EPF have been the target of several parties throughout the years, some with good intentions and others with dubious ones. There have been numerous attempts to use EPF funds to save politically connected businesses, particularly those with ties to the government.

Some of these efforts were successful, while others were thwarted. However, there was always a loud opposition to such actions in order to protect the funds' integrity and to support the interests of all 1.6 million contributors, not just a few.

However, criticism to the most recent initiative to permit participants to withdraw more money from their Account 1 (as they previously could under the i-Citra system at the beginning of this year) has been relatively muted.

5.6 Employee Provident Fund: SWOT Analysis Matrix

	<p>STRENGTHS</p> <p>S1: Variety Products Offered by EPF</p> <p>S2: Strong Financial Position</p> <p>S3: Long Term Saving</p>	<p>WEAKNESSES</p> <p>W1: Low awareness on EPF's products</p> <p>W2: Lack of technology at e-service</p> <p>W3: Strict condition on EPF's withdrawal</p>
<p>OPPORTUNITIES</p> <p>O1: Incentives by the Government</p> <p>O2: Competitive returns</p> <p>O3: Extending coverage from formal to informal sector</p>	<p>SO STRATEGIES</p> <p>S1,O3 : Diversify products for every sector</p> <p>S3,O1 : Encourage members to save as long and as much as they can by giving them incentives.</p>	<p>WO STRATEGIES</p> <p>SW1, O1 : Started a marketing team that focus on advertisement and social media</p> <p>W2, O3 : Set up a kiosk for registration that operates outside working hours</p> <p>W3, O3 : Abolish unnecessary and unimportant condition to attract more members from informal sector</p>
<p>THREATS</p> <p>T1: Higher risk of breach of data, theft and discrimination</p> <p>T2: Economic condition</p> <p>T3: Political agenda</p>	<p>ST STRATEGIES</p> <p>S1, T2 : Upgrade the products according to the economic condition</p> <p>S2: T2 : Sustain the investment even after pandemic</p> <p>S3: T3 : Educate every member on the importance of saving in EPF and to understand EPF's objectives.</p>	<p>WT STRATEGIES</p> <p>W2, T1 : Improve system performance and security</p> <p>W3, T1 : Upgrade the EPF's website for online withdrawal</p>

5.6 Employee Provident Fund: SWOT Analysis Matrix

As for the SWOT Analysis Matrix, I managed to derive and pointed out 10 outcomes to give solutions based on Employee Provident Fund's strengths, weaknesses, opportunities and threats. All the outcomes are been illustrated in the above diagram in which there are SO strategies, WO Strategies, ST Strategies and WT strategies. All of these outcomes that had been accumulated under these strategies will be discuss in more depth in the discussion and recommendation part of the report. The best outcomes will be selected to be discuss in more depth.

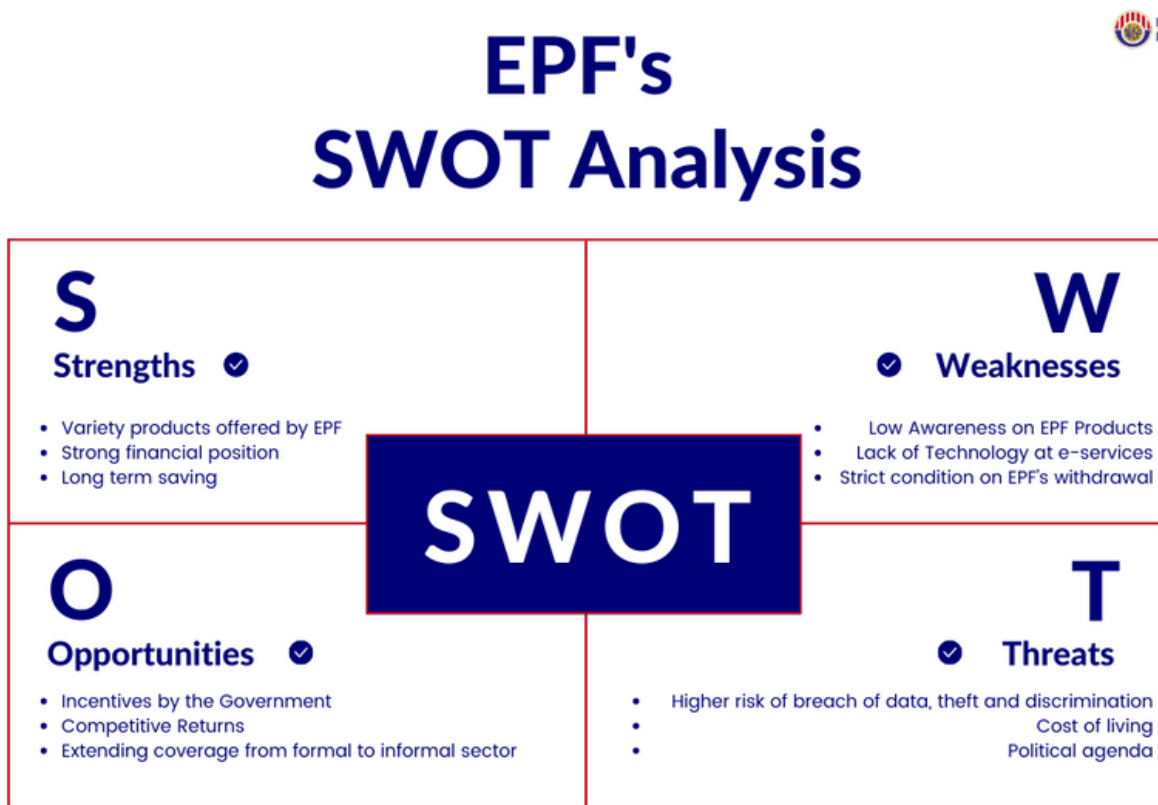


Diagram 5.6.1 SWOT Analysis Matrix

6.0

THE PESTEL

ANALYSIS

6.0 Employee Provident Fund: PESTEL ANALYSIS

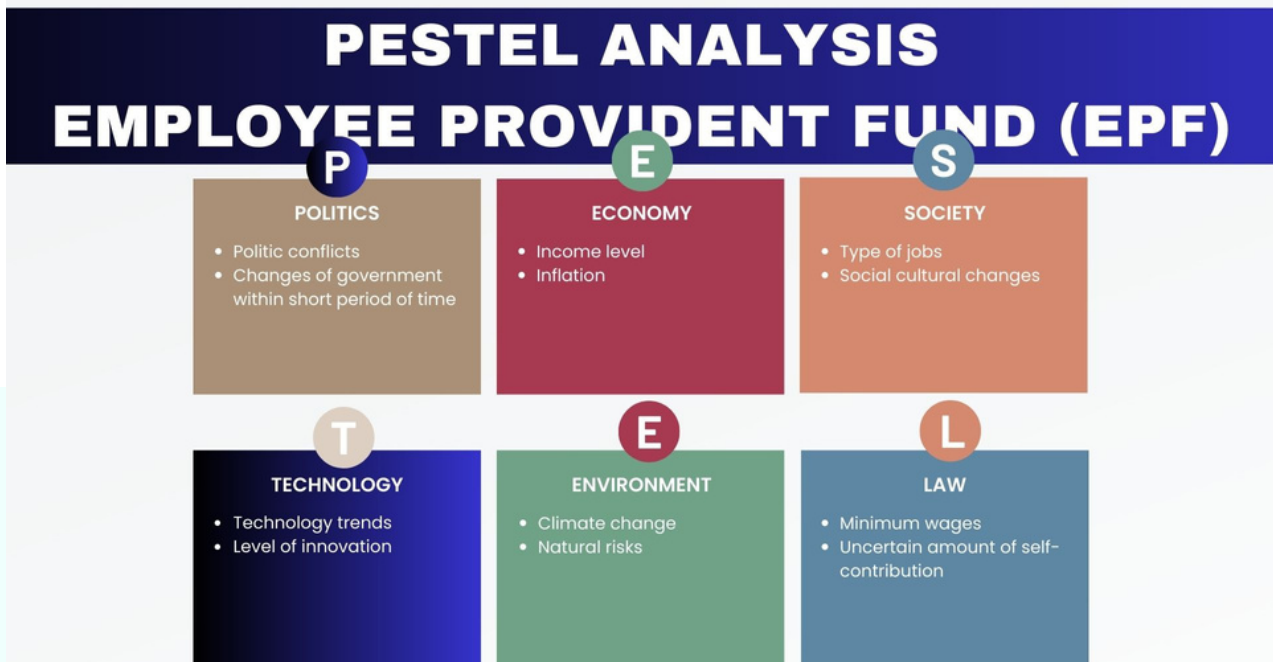


Diagram 6.0.1 PESTEL Analysis

This framework will analyze Employee Provident Fund, a statutory body under Ministry of Finance which revolved in the Social Security Organization. It would analyze the macro-environmental factors of this leading Malaysia provident fund organization.

6.1 Employee Provident Fund: PESTEL CROSS MATRIX

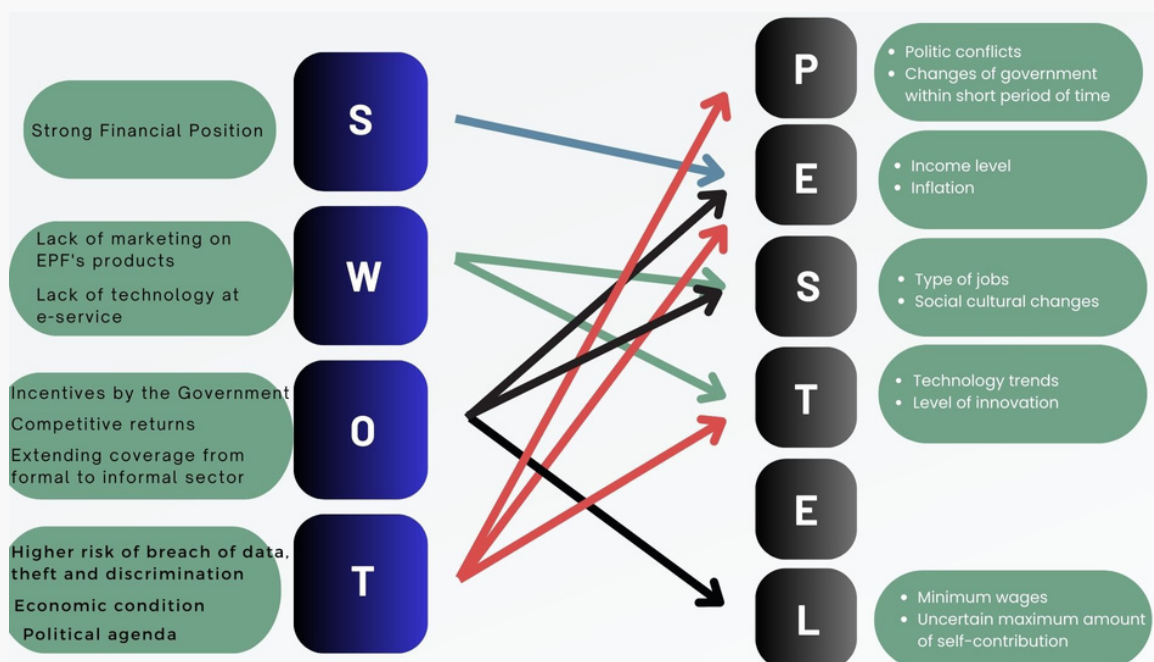


Diagram 6.1.1 PESTEL Cross Matrix

The PESTEL Analysis was utilised as the next business analysis method after the SWOT Analysis to evaluate the Employee Provident Fund's level of company position. All the components that could be obtained from the SWOT analysis were combined to create the PESTEL Analysis. A SWOT-PESTEL Cross Matrix was developed as a result. The SWOT-PESTEL Cross Matrix, which has been described and shown in the above diagram, demonstrates that there is a significant correlation between the elements in the Opportunity and Threats elements that can be directly matched with the elements in the PESTEL analysis, namely Political, Economic, Social, Technology, and Law. This connection demonstrates that these factors are connected and have a close bond that may bring positive or negative impact towards one another. Hence this really needs to be viewed wisely.

As can be explained from the diagram above (**Diagram 6.1.1**), there is one strength element, one weakness element, one opportunity element, and one threat element that can be matched with political, economic, social, technology, and law respectively. Whereby for political, one element came from the threats, and economics has three elements came from strength, opportunity and threat. For society, two elements come from weakness and opportunity. Meanwhile, two elements of weakness and threats come for technology. Meanwhile, only one element from opportunity for law. These match can be understood that there is a similarity on these point from the perspective of SWOT analysis and PESTEL Analysis.

7.0

RECOMMENDATIONS AND DISCUSSIONS

7.0 Discussion and Recommendation

The SWOT Matrix's four primary suggestions were created based on the study of strengths, weaknesses, opportunities, and threats that was done. The Employee Provident Fund's strengths, weaknesses, opportunity, and threat were used to allocate 10 recommendations or outcomes in the SWOT Analysis Matrix. However, only the top four (4) recommendations have been picked to be advised and discussed in greater detail on how they may operate to reinforce all of the EPF's strengths as well as strive to eliminate or overcome its deficiencies.

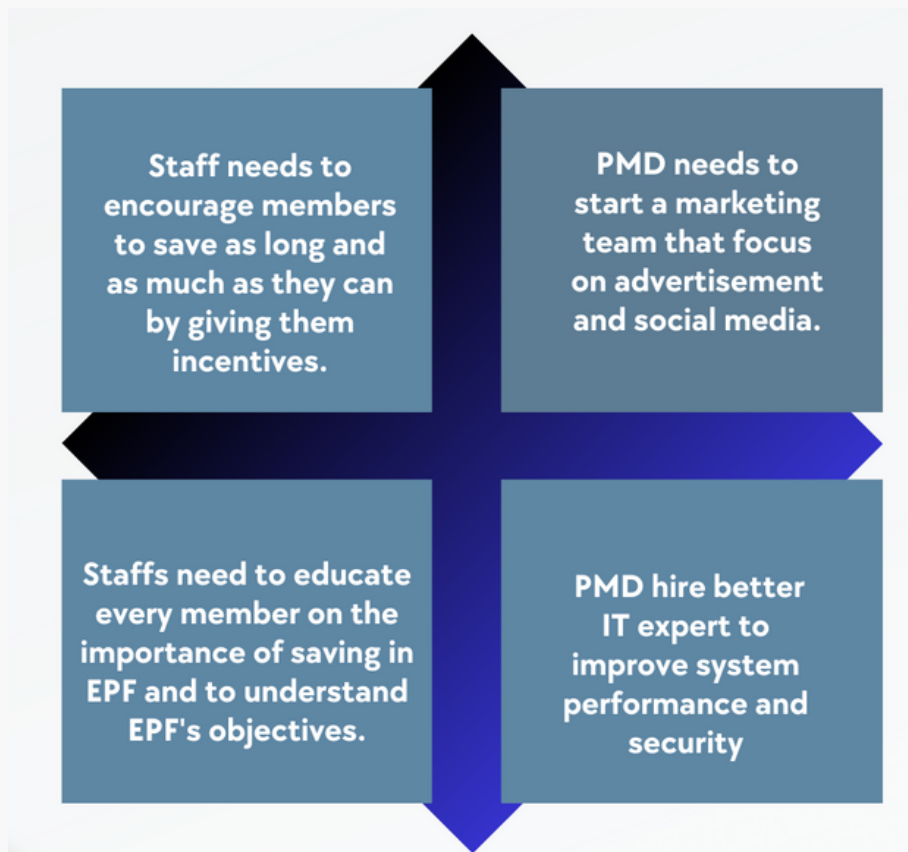


Diagram 7.0.1 Recommendations

7.1 Staff needs to encourage members to save as long and as much as they can by giving them incentives.

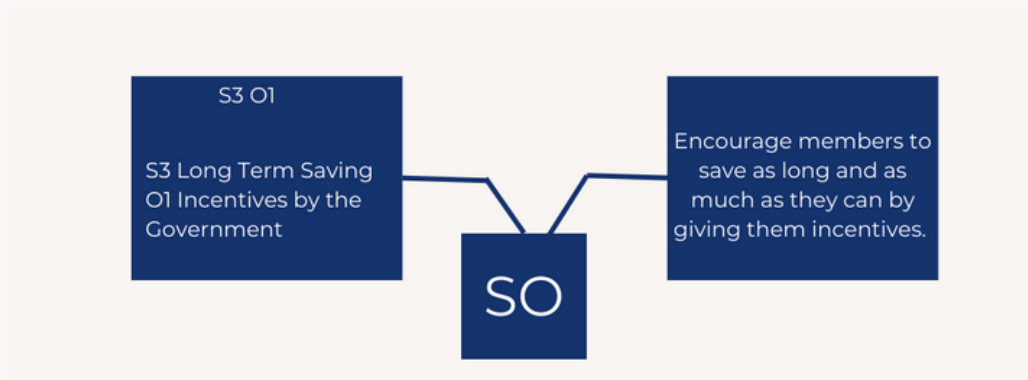


Diagram 7.1.1 The SO Strategies

With the help of Government's initiative to help more members to achieve basic savings are important to encourage members to have a retirement saving plan. This ensure members that their savings would be increasing by the dividend and extra incentives. This is not only would attract but gains more contribution from the members. However, staff needs to play their role to encourage and educate members regarding EPF's products. Staffs can create a campaign to encourage members to add more contribution. Staffs can start a "Jom Tambah" campaign like giving members official merchandise from EPF if they put a savings in EPF. This initiative would encourage and gain something from the EPF so the members would be satisfy with the amount of money they save in EPF.

7.2 PMD needs to start a marketing team that focus on advertisement and social media

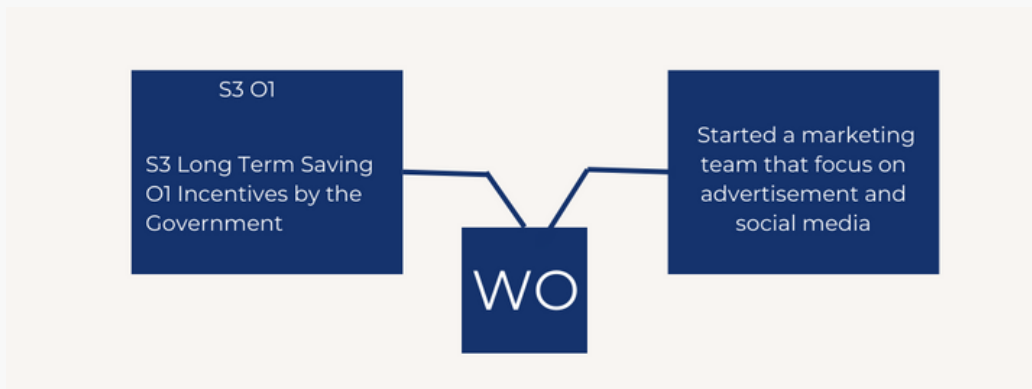


Diagram 7.2.1 The WO Strategies

Advertisement and social media have been the best platform to promote products and to attract more contributors. PMD needs to put benchmark on every marketing team's in managing EPF's social media so that the marketing team can put extra effort to handle EPF on social media.. Malaysians use social media a lot like Twitter, Facebook, and Tiktok. All of these social media application allows every account to do promotion by creating a 3-minute videos. The social media advertising feature can increase the number of website visits, video views, and followers. One of the simplest and most user-friendly ways to instantly add the content to the For You Feed with sponsored advertising is through social media promote.

7.3 Staffs have to educate every member on the importance of saving in EPF and to understand EPF's objectives.

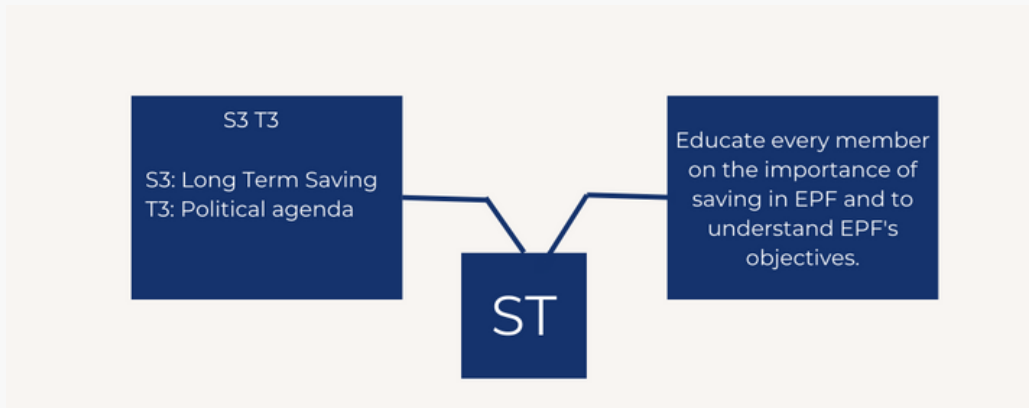


Diagram 7.3.1 The ST Strategies

EPF is currently a heated topic among Malaysian voters and politicians. Some of them believed that EPF withdrawal would be the answer to every issue. The lawmaker also utilised EPF as a platform to undermine the existing administration by implying that EPF was the only option for the populace's financial woes. When faced with the facts, it shouldn't be used as a tool to play on the emotions of EPF participants who, in reality, have very little money saved for their post-retirement existence. The opposition would only be putting more workers in financial hardship after retirement by pushing for more EPF withdrawals. As a result, the government prohibits withdrawals made before retirement.

However, staffs can help members to understand more on EPF's policy and regulations. This is very concerning since members tend to believe everything on the news and internet, be it official or not. So, staff is responsible in putting all of the legit and valid information of EPF into members' mind so they understand and do not associate with fake news and rumors anymore.

7.4 Improve system performance and security

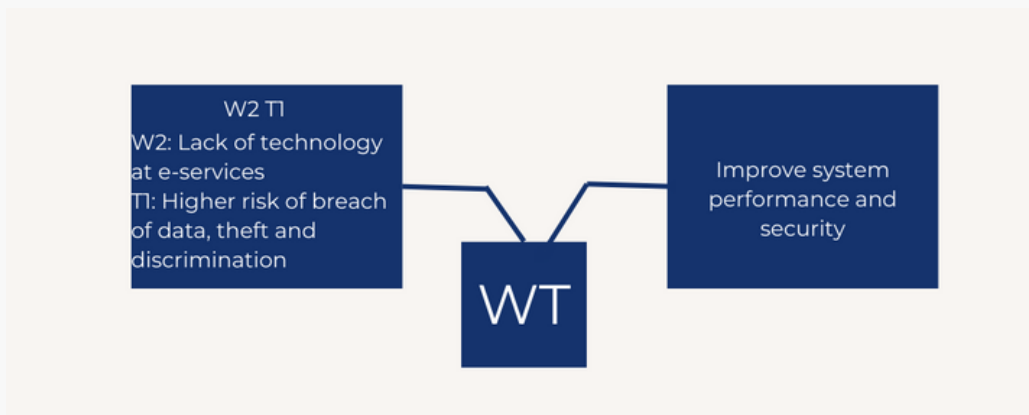


Diagram 7.4.1 The WT Strategies

PMD should have realized that EPF's IT and technology team is not efficient in handling EPF's system. Hence, PMD needs to recruit more eligible team in order to approach this obstacle. Since IT and technology team is very important, PMD can go through a proper and detail screening before hire them.

PMD needs to recruit better team that can do continuous enhancement to the i-Akaun platform on mobile and web applications. Since its launch, EPF has continuously introduced new updates/services onto its i-Akaun mobile application. In 2019, several updates included new PDF-format statements for downloads, targeted push notifications, a branch locator service, and fund performance monitoring for its i-Invest users. Also, improve security for the mobile and web applications by upgrading to Face Recognition instead of One Time Password (OTP)

8.0

CONCLUSION

8.0 Conclusion

ISO, in order to improve the performance of pension funds, it is important to take into account changes in the regulatory environment, a strict governance process, the development of expertise, a clear focus on the best interests of members, and taking advantage of economies of scale in administration and investing.

At the same time, EPF's customer-focused culture is reflected in the levels of client satisfaction. Simply becoming digital is not the solution. To effectively develop solutions, businesses must comprehend the particular pain spots of the client journey. Additionally, taking note of EPF, the fund placed a heavy emphasis on developing a thorough omnichannel experience that could satisfy the needs of all consumer types. This is essential to deliver a flawless onboarding process and guarantee consistent customer satisfaction.

9.0

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10.0

APPENDIXES



Figure 10.1 Outreach at Emersive Sdn Bhd



Figure 10.2 Outreach at AIG Insurance Berhad



Figure 10.3 Outreach at Midvalley Shopping Mall



Figure 10.4 Outreach at Lotus' Bandar Utama



Figure 10.5 Participated and engaged in ISO 45001 & ISO 14001 talk by OSHE Officer



Figure 10.6 Participated in EPF Kwasa Damansara's Hari Raya performance



Figure 10.7 Received an appreciation gift for helping EPF Kwasa Damansara in getting 100% for "Mystery Shopper" and came first for the best intern student/protege



Figure 10.8 Went to inspection at Mental Institution in Petaling Jaya



Figure 10.9 Participated as an Ambassador at "Jom Heboh" program.



Figure 10.10 Participated as an Ambassador at "Financial Wellbeing Talk" in UiTM Puncak Alam.



Diagram 10.11 Involved in EPF Kwasa Damansara's inauguration by Prime Minister, YAB Dato' Seri Anwar bin Ibrahim.

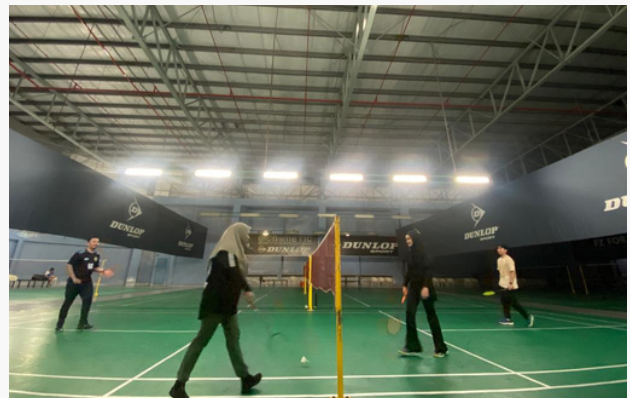


Diagram 10.12 Organized a Badminton Tournament for Staffs at EPF Kwasa Damansara

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Coordinator

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Title : Industrial Training Report at EPF Kwasa Damansara

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AUTHOR OVERVIEW The interaction of knowledge and skills with experience is key to learning. - John Dewey As a student, I believe that most of us do not have adequate experience and soft skills to put ourselves in working field. However, by going for internship will open some doors for us. In addition, with the guidance and advice from the superior, we will manage to grab the opportunity and gain as many knowledge as we can.

The experiences and knowledge I received during my internship at Employees Provident Fund (EPF) were valuable and precious. The 6 months journey at EPF Kwasa Damansara taught me a lot in developing my soft skills, enhancing my ability to receive and deliver information, and unleashing my talent as an EPF ambassador. All of these unforgettable experiences inspired me to document them in this industrial training report. In addition, this report determines my goal and internship experience, beginning with my duties and tasks as an ambassador in the customer service department. My duties include promoting EPF's products such as nomination, self-contribution, i-Saraan, i-Sayang, i- Lindung, and many more. Moreover, I need to revise and do document checking every time EPF's members want to withdraw account 2 money for education, housing loan, or health purposes. Furthermore, this report also covers the company's interpersonal relationships as well as the difficulties I encountered, like my lack of experience with engagement with other people and how I overcame all of these difficulties. Additionally, this report also includes a section for the analysis and reflection of the internship where it was discussed what knowledge I learned from the internship, what conceptual knowledge I applied in the internship, and work satisfaction with my work at Employees Provident Fund (EPF) during the internship.

Executive Summary