

Problems Faced By Contractors in Managing Foreign Workers On Construction Sites

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Abstract. Construction industry is one of the sectors that attracted a large number of foreign workers working at construction sites. However, the problems related to the employment of foreign workers are numerous. The purpose of this study are to identify the employment procedures of foreign workers, to study the worker's welfare facilities, to identify the problems faced by the contractors in managing the foreign workers on site and also to identify the impact of the employment of foreign workers at site. A total of 100 sets of questionnaires have been distributed to the contractors at construction sites around Johor Bahru, Malaysia. Questionnaires forms contain selection of short and predetermined as well as likert scale answers. The data was analyzed using average index method and frequency analysis. From the findings, the results show that the worker's facilities provided by the contractors are on the average. However, the contractors have no problems in managing the foreign workers on site in terms of productivity, communication and also health. The applications of the safety procedures need to be improved to achieve zero accidents at site. From the study, it was also found that several issues and problems do arise from the employment of the foreign workers. Therefore, the services of the foreign workers in the construction industry need to be reviewed.

Keywords: Construction, foreign workers, welfare, problems, impact

1. Introduction

For over three decades, Malaysia has relied heavily on the use of foreign labour either legally or otherwise. In Malaysia, foreign workers were employed in the manufacturing, construction, plantation, agricultural, services and domestic sector. Services sector consist of eleven sub sector such as restaurant, cleaning services, cargo handling. Malaysia will still have to depend on foreign workers [1]. In fact, presently, there are over two million foreign workers being employed in the country. Some of the foreign workers entered the country either legally or illegally [2]. The employment of foreign workers needs to undergo various procedures. These procedures can be at times lengthy. Prime Minister Datuk Seri Najib Abdul Razak said, the freeze on the intake of foreign workers will be done gradually so as not to affect any economic sectors in the country [3].

The objectives of this study are to investigate the procedures in employing of foreign workers in the construction industry in Malaysia, to investigate the welfare of foreign workers provided by contractor on site, to investigate problems faced by the contractors in managing foreign labour on site and to evaluate the effect of employment of foreign workers in the construction industry. The study was carried on construction sites in the area of Johor Bahru, Johor, Malaysia.

2. Literature Review

In general, the right and obligations of foreign workers depends more on their legal status and the type of work they are engaged in. Based on the types of jobs, they are divided into two categories, i.e. the expatriates and the non-expatriates or foreign labour and each of these is managed by different sections in the

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immigration department and subjected to separate terms and conditions [4]. The term “foreign worker” will be used to refer to foreign workers in general and “foreign labour” for the unskilled and semi-skilled workers. The construction sector in the future will continue to require a steady supply of labour to support its growth. An enduring labour shortage along with the slow process of mechanization and reluctance local to work in construction due to working conditions and low pay promises to aggravate this problem [5].

Generally, in the last decade Malaysia has achieved a successful economic growth and full employment. Although the Malaysian economic situation showed a good performance during the normal period, the Malaysian economy actually faced a tight situation in the labour market. The demand for labour is high.

In year 2009, of a total labour force of around 12 million people, 12.0% is employed in agriculture, 0.4 % in mining, 27.6% in manufacturing, 6.6 % in construction and 53.5% in services industry. However, in 2010 total labour employed in agriculture is 11.8%, 0.4% in mining, 27.8% in manufacturing, 6.5% in construction and 53.6% in services (Economic Planning Unit and Department of Statistics). As of June 2011 total employment is 12.12 million people, 12.6% is employed in agriculture, 0.7% in mining, 16.4% in manufacturing, 10 % in construction and 60.3% in services industry [6].

There are three main factors that influence the labour force. They are environmental factor, organisational factor and work energy. Environmental factors are divided into economy, social, politics and law, technology and competition. While in organisational factor, the organisation decision will effect on manpower planning. It can be divided into strategic planning, budgeted and etc. Beside that, labour factor can be divided to the quality on labour force, organisation decision, financial condition and etc [7].

Labour Department is responsible in enforcing the eight labour laws which provides provisions to protect and develop workers. These laws are being governed and enforced through the Employment Act 1955, Trade Unions Act 1959, Minimum Standards of Housing and Amenities Act 1990, Workmen’s Compensation Act 1952, Wages Councils Act 1947, Employment Information Act 1953 and etc. Beside that, demand on employee requires higher education and professional training in keeping to strategic change in value activity [8].

3. Methodology

The study was carried out through literature review. The sources of the literature were obtained from books, previous theses, journal, articles, websites and work of previous researchers.

The study was carried out by questionnaires. Initially the leading questions for the questionnaires were developed based on objective of the study. The questionnaire was structured into six divisions. In section C until section F, the data analysis that was use is Likert Scale. Respondents were asked to answer the question using the five rating Likert scale (from 1= “strongly disagree” to 5= “strongly agree”).

1. Section A: Personal or demographic detail of respondents
2. Section B: To gather detail information about foreign workers
3. Section C: To gather information related to foreign workers’ welfare on construction site. Section D: To collect information about problems face by foreign workers on construction site. This section was divided to four part: (i) Productivity and Quality foreign worker (ii) Communication on site (iii) Foreign workers health on site (iv) Foreign workers safety on site
4. Section E: To collect information about the effect on recruiting foreign labour on site.
5. Section F: To gather information related the effect of reducing the numbers of foreign labour on site.

Interviews were carried out to obtain opinions from parties involved on construction site, comments and explanation regarding the problem faced by the contractors in managing the foreign workers on site.

Data analysis was done using computer software Statistical Package for Social Science and Microsoft Office Excel. The data then was analyzed using the frequency analysis, average Index Analysis and Correlation Analysis. Whereas, the Average Index was calculated by means of the following formula [9]: Average Index (A.I.) = $\sum (aX) / N$, where X = n / N, a = Value weight that was prescribed for variable (1 to 5), N = Total respondents and n = Respondent frequency.

The classifications for the rating scale were grouped as follows is $1.00 \leq \text{Average Index} < 1.50$ (not important or strongly disagree), $1.50 \leq \text{Average Index} < 2.50$ (less important or disagree), $2.50 \leq \text{Average Index} < 3.50$ (neutral), $3.50 \leq \text{Average Index} < 4.50$ (important or agree) and $4.50 \leq \text{Average Index} \leq 5.0$ (very important or strongly agree) [10].

4. Result and Discussion

Out of the 100 questionnaires that were distributed to the respondents, only 34 questionnaires were duly answered and returned. Before analysis was carried out, data was divided into two parts analysed which is initial analysis and detailed analysis. Initial analysis will cover personal or demographic details of respondents. While, detailed analysis was used to achieve the objectives of this study.

4.1. Initial Analysis:

Based on answer that were provided by the respondents, the total foreign workers on site were 2146 people and the average workers on each site comprises of 63 foreign workers either from Indonesia, Bangladesh, Nepal, Myanmar, Thailand and Vietnam.

4.2. Detailed Analysis:

1. The administration of foreign nationals working in Malaysia was done separately and differently in West Malaysia. There were various methods used by the contractors to obtain foreign workers to work in construction sites. From the survey, matters related to foreign workers came under the judicial of the Immigration Department from the Ministry of Home Affairs, (KHEDN), Construction Industry Development Board Malaysia (CIDB), Private Agencies and also by others contractors. These departments govern the right and obligation of these workers.
2. As per workers' welfare, the accommodation, water supply and others as provided by the contractor is "Average Satisfactory".
3. Among the problems faced by the contractors in managing the foreign workers on site were as follows:-
 - i. Productivity and Quality Foreign Workers

Figure 1 shows that the factors that influence the productivity and quality of foreign workers are the induction courses. Foreign workers on site had benefited a lot from such programs. This followed 58.8 percent respondents agree that work quality is dependent on the equipment and technology and not the skill of foreign worker. However, 44.1 percent respondents less agreed that most foreign labour has insufficient knowledge to carry out the work correctly.

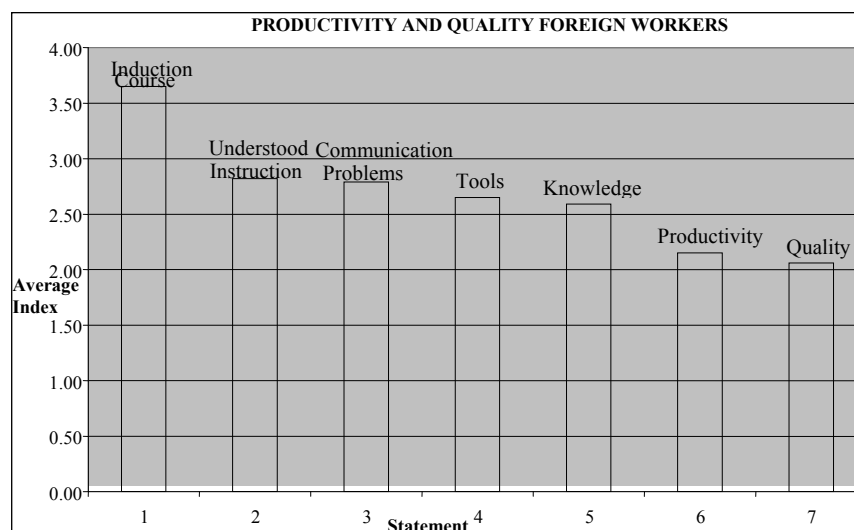


Fig. 1: Productivity and Quality Foreign Workers

- ii. Foreign worker's health

The main causes of diseases among foreign workers were due to poor personal hygiene. Some agreed that cleanliness of living quarters contributed to their health. Some also less disagreed about the fact that they brought in diseases from their countries or even contracted disease from their fellow workers.

iii. Speaking fluency among foreign labour

Table 1, shows that the foreign workers were able to speak Bahasa Malaysia but the proficiency level could be improved in order to boost work productivity.

Tab 1: Average Index value from speaking fluency among foreign labour

Value	1		2		3		4		5		Total		A.I	RANK
	f	%	f	%	f	%	f	%	f	%	f	%		
A. Bahasa Malaysia	0	0.0	0	0.0	5	14.7	25	73.5	4	11.8	34	100.0	3.97	1
C. Do not know/ both language	7	20.6	20	58.8	3	8.8	4	11.8	0	0.0	34	100.0	2.12	2
B. English language	7	20.6	27	79.4	0	0.0	0	0.0	0	0.0	34	100.0	1.79	3
Total Average Index (A.I)													2.63	

1. Frequency of Health Screening

The result in Figure 2 shows that the workers did undergo health screening during their employment.

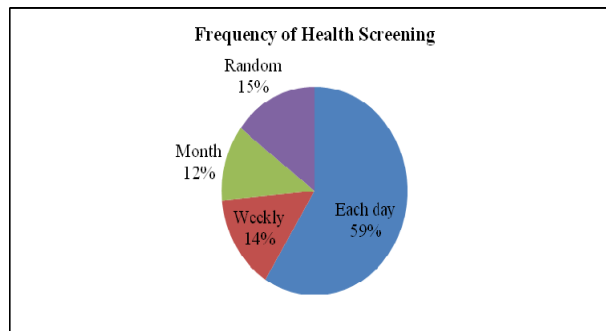


Fig 2: Frequency of Health Screening

2. Impact of recruitment foreign labour on construction site

Table 2 presented the impacts due to the employment of foreign workers which has resulted the outflow of currency from this country to the country of the workers' origin and followed by other negatives impacts.

Tab 2: Effect of recruitment foreign labour on construction site

Value	1		2		3		4		5		Total		Average Index	Rank
	f	%	f	%	f	%	f	%	f	%	f	%		
F. Malaysia currency out flow to other countries which cripple economy and development process in Malaysia.	0	0.0	1	2.9	9	26.5	22	64.7	2	5.9	34	100	3.74	1
E. Recruitment of foreign workers causes local skill drain to other countries.	0	0.0	4	11.8	6	17.6	24	70.6	0	0.0	34	100	3.59	2
C. Increase local population unemployment rates.	0	0.0	4	11.8	21	61.9	5	14.7	4	11.8	34	100	3.26	3
B. Create social problems such as criminal cases by foreign workers.	0	0.0	7	20.6	21	61.9	6	17.6	0	0.0	34	100	2.97	4
D. Bring dangerous diseases and undue environment to public.	3	8.8	12	35.3	16	47.1	3	8.8	0	0.0	34	100	2.56	5
A. Less quality works due to semi skilled and unskilled foreign workers.	10	29.4	15	44.1	8	23.5	1	2.9	0	0.0	34	100	2	6
OVERALL AVERAGE INDEX													3.02	

5. Conclusion

The conclusions from this study are as follows:

- i. There are various methods and procedures like the policy and regulations, application method, payment and related foreign workers recruitment.
- ii. Eventhough the contractors knew and understand the Employment Acts but they also need to be applied in managing workers on site regarding welfare issue, salary and etc.
- iii. From the study, the contractors are “not satisfied” with the productivity level of foreign workers.
- iv. Furthermore, the effect of recruiting and employing foreign labours will result in the outflow of the local currency, the skills and knowledge the foreign workers obtain while working in the construction industry will be brought home to their country, the unemployment of the locals will increase and the socials ills caused by the foreign workers.

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