

Labour Inspection Country Profiles

Country name

MALAYSIA

Name of institution that manages work issues

The Ministry of Human Resources Malaysia (MOHR) is responsible for all matters relating to Labour, Trade Unions, Industrial Relations, Industrial Court, Occupational Safety and Health, Social Security, Skills Development, Labour Market Information and Analysis.

Department(s) responsible for labour inspection

MOHR is tasked with the responsibility of conducting Labour Inspection that is divided into three areas namely Labour, Occupational Safety and Health and Social Security.

The departments that are responsible for labour inspection are the Department of Labour, Peninsular Malaysia (for Peninsular Malaysia & Federal Territory of Labuan), Department of Labour, Sarawak (for the state of Sarawak) and Department of Labour, Sabah (for the state of Sabah).

When Sabah and Sarawak joined Malaysia, they already had their respective labour ordinances. It was therefore agreed that because of the need and peculiarity of both Sabah and Sarawak, their labour ordinances would be maintained, and they would be responsible for the administration (including inspection) of their own ordinance.

The Minister of Human Resources is tasked with bringing any amendments of either labour ordinance to Parliament and is empowered to gazette any regulations under the respective ordinance. For any amendment to the labour ordinances or their regulations, it is done through consultation with the respective states of Sabah and Sarawak.

The Department of Occupational Safety and Health (DOSH) covers Occupational Safety and Health and is responsible for OSH inspection throughout the entire territory of Malaysia, including in the states of Sabah and Sarawak.

The Social Security Organization (SOCSO) is tasked with the enforcement of social security laws and regulations for the entire country.

Regulatory framework that governs organization and operation of the labour inspection system

Acts Relating to Labour for Peninsular Malaysia & the Federal Territory of Labuan, specifying the relevant provisions on Inspection

1. Employment Act 1955 (ACT 265) & Regulations
Part XIV (Sections 65 to 68)
2. Children and Young Persons (Employment) Act 1966 (ACT 350)

- (Section 9)
3. Weekly Holidays Act 1953 (ACT 220)
(Section 9)
 4. Holidays Act 1951 (ACT 369)
Covered under Employment Act 1955
 5. Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990 (ACT 446) & Regulations (Section 27)

Sarawak

6. Labour Ordinance (Sarawak Cap. 76) & Rules (Sections 4 & 6)
7. Holidays Ordinance (Sarawak Cap. 8)
Covered under Labour Ordinance (Sarawak Cap. 76) & Rules

Sabah

8. Labour Ordinance (Sabah Cap. 67) & Rules (Sections 4 & 5)
9. Holidays Ordinance (Sabah Cap. 56)
Covered under Labour Ordinance (Sabah Cap. 67) & Rules

Malaysia (Covers Sabah & Sarawak)

1. Minimum Retirement Age Act 2012 (ACT 753)
Part IV
2. National Wages Consultative Council Act 2011 (ACT 732)
Part IV (conducted by labour Officers)
3. Private Employment Agency act 1981 (Act 246)
Section 21 (conducted by labour Officers)
4. Anti-Trafficking in person and Anti-smuggling of migrants (Act 670)
Part IV – Enforcement (conducted by labour Officers & other agencies)
5. Occupational Safety and Health Act 1994
Part XI
6. Factory and Machinery Act 1967
Section 7
7. Petroleum (Safety Measures) Act 1984
Section 38
8. Employee's Social Security Act 1969 & Regulations
Sections 12, 12A, 12C, 13A
9. Self-Employment Social Security Act 2017
Part IX
10. Employment Insurance System Act 2017
Part IX

ILO Conventions Ratified related to labour inspection

ILO Convention No. 81 was ratified by Malaysia in 1963.

ILO Convention No. 129 has yet to be ratified.

Legal scope and mandate of labour inspection

Labour

In Malaysia, labour inspection covers all employees as detailed in the First Schedule of the Employment Act 1955 on terms and conditions of employment, payment of wages, overtime, leave and public holidays.

Labour inspection for minimum wage compliance, retirement age, minimum standards in accommodation and worker housing (if provided) also covers all employees. It further covers the employment of children (under the age of 15) and young person (between the ages of 15 and 18).

Occupational Safety and Health (OSH)

Occupational safety and health inspection is responsible for the enforcement of the relevant Acts under the Department of Occupational Safety and Health (DOSH). This includes work related to OSH approvals and authorisations, registration, certification inspections, investigations, and litigation.

SOCSCO

Inspection under the SOCSCO Acts covers enforcement to ensure compliance with social security laws such as registration and contributions, as well as providing advice pertaining to the definition of employer, employee salary and related matters.

Local divisions

The Department of Labour for Peninsular Malaysia is headquartered in Putrajaya. It also has 13 state offices and 38 branch offices throughout the peninsula. The state offices liaise with their respective state administrations and oversee the branch offices in day-to-day work.

Sabah's Labour Department is headquartered in Kota Kinabalu and has 15 branch offices.

Sarawak's Labour Department is headquartered in Kuching and has 15 branch offices.

DOSH headquarters are in Putrajaya and there are 20 offices throughout Malaysia (this includes Peninsular Malaysia, Sabah and Sarawak).

The SOCSCO headquarters are in Kuala Lumpur with 53 branch offices throughout Malaysia.

There are instances where Departments are housed in the same building where possible and if there is a lack of space then they are housed separately.

Labour inspection policy and planning

Labour Department

Labour inspection visits are included in the annual strategic plan of the respective Departments that set a target of labour inspection visits for each of the regional inspectorates. In accordance with such targets (variable), the regional directors and supervisors prepare, in coordination with the administrative staff, inspection plans on a weekly or daily basis.

Department of Occupational Safety and Health (DOSH)

Beyond OSH inspection work, DOSH programs include giving talks and explanations as well as training on occupational safety and health; organising

campaigns and exhibitions on occupational safety and health; providing expertise on occupational safety and health to public agencies, the private sector, associations of employers and employees as well as professional bodies; and collecting and providing informational materials on occupational safety and health. Furthermore, a national programme known as the Occupational Safety and Health Master Plan (OSHMP) has been implemented since 2005. In addition, a specific strategic plan for small and medium-sized enterprises (SME) has also been implemented.

Social Security Organization (SOCSO)

SOCSO activities include preparation of an annual inspection plan where key performance indicators (KPIs) are set for each enforcement officer, which is then monitored to achieve the expected results. SOCSO also conducts awareness raising campaigns on social security registration and contributions, as well as reducing workplace accidents. They also organize talks with employers, trade unions, workers and the general public on social security benefits.

Human resources and career development

Permanency of inspectors

Labour and DOSH officers are appointed by the Public Service Commission as civil servants and their jobs are permanent. They must undergo a probationary period before confirmation. The probationary period is for a term of 3 years and officers will have to sit for examination related to their work set by their respective Departments and by the Public Service Department. Evaluation of performance is done annually by the respective Department. They must pass this exam and obtain a good review from their superior officers to be confirmed at the end of the probation period. Officers attend courses related to their field throughout their career and KPIs on capacity development are set annually for all officers.

SOCSO inspection officers are similarly appointed as civil servants by SOCSO and their jobs are permanent. The officers attend courses related to core SOCSO activities to enhance their knowledge and expand their career opportunities.

Selection process

The selection of Labour Department and DOSH Officers is conducted by the Public Service Commission. SOCSO has a separate selection process which it conducts internally for Inspection Officers. In all cases, vacancies are advertised online and in newspapers. Applicants apply online followed by an interview process to select successful candidates.

Background required

The qualification are as follows:

Labour Officers: *Sijil Pelajaran* Malaysia (equivalent to a high school diploma) or a university diploma/degree in any field (with a preference for law or human resources).

DOSH Officers: Engineering Diploma (Mechanical, Chemical, Civil & Electrical) or Engineering Degree (Mechanical, Chemical, Civil & Electrical).

SOCSO Officers: Diploma in any field.

Inspection visits and enforcement measures

a. Inspection Visits

Departments of Labour

- Statutory inspections are routine inspections of select establishments with a higher likelihood of labour law infringements based on the information collected on the number of complaints and media reports which is tabled at the annual planning meeting to decide on the priority industries for inspection. Such visits can address any matter that comes under the Department's jurisdiction.
- Complaint-based inspections are conducted by a special enforcement team who are trained to handle complaints received by employee/s or trade unions or from reports in the media.
- Follow-up visits related to previous inspections are conducted to verify compliance, though such visits are not mandatory.

DOSH

- Machinery inspection for Certificate of Fitness.
- Planned factory and workplace inspections (safety, industrial hygiene, installations, and chemical management).
- Reactive investigations based on complaints, accidents, occupational diseases, and poisoning.
- OSH compliance support workplace visits for SMEs.

SOCSO

- Inspections based on registered companies to determine compliance with the Act governed by SOCSO by using an automated digital system called ASSIST.
- Investigation of complaints from employers or employees.

b. Preventive measures

Labour

The Labour Department distributes informative brochures on workers' rights. It also networks with employers and workers and their representatives to provide advice and information, conducting promotional and educational activities (talks and seminar) on effective ways to comply with the law, in addition to counselling and advisory services for employers.

DOSH

DOSH disseminates OSH policy studies, OSH Regulations, Guidelines, and Industrial Codes of Practice. It conducts OSH campaigns along with technical workshops and seminars, in addition to providing OSH compliance support through workplace visits and assessments.

SOCSO

SOCSO carries out induction courses for new employers to explain the function and role of SOCSO. They also publish information in social media to raise awareness about social security regulations and the work of SOCSO, including punitive actions taken for non-compliance.

c. Planning of inspection Visits

Labour

Visits are targeted based on annual plans that are largely based on the numbers of enterprises, workload of the officer and industries.

DOSH

Scheduled inspection for Certificate of Fitness based on machinery expiry date through an online system, annual planning inspection for selected workplace, Risk Based Inspection based on workplace assessment (low grade or frequent accident workplace) and joint inspection with other agencies

SOCSO

Visits are categorized by schedule, unscheduled and no inspection. Scheduled inspection based on earlier visit information. Unscheduled is based on ad hoc activities. No inspection refer to when there is no continuous action from the previous inspection.

d. Enforcement Measures

The Acts provide sanctions for an officer to *compound* (fine) or prosecute with the consent of the Deputy Public Prosecutor in the Criminal Courts for any offence committed by the employer. All officers are empowered to prepare *investigation papers*, which are required to obtain consent from the Deputy Public Prosecutor before bringing a case to court.

Enforcement actions for non-compliance include notices of compliance, compounding (fines) and prosecution. In addition to these, DOSH also issues notices of improvement as well as prohibition notices.

Information management system and reporting of accidents and diseases at work

The Labour Department (includes Sabah & Sarawak) has a web-based system known as the Labour Market Database (LMD) that is designed to store a range of data about employers, inspection visits, findings of non-compliance, labour disputes and employment permits.

DOSH uses its own digital information system (My KKP) for their safety and health inspections.

SOCSO's enforcement work is done through a system called ASSIST which helps to automatically generate the inspection schedule and notifications, and serves as

a case management system, allowing individual inspectors to document their inspection actions.

Reporting of accidents and diseases at work

Whenever any death or accident arising out of or in connection with work which causes bodily injury to any person which prevents the person from following his normal occupation for more than four calendar days, the employer shall, within 7 days, send a report to the Department of Occupational Safety and Health office.

For occupational diseases, reporting must be done within 7 days after consultation with a registered medical practitioner via an online system developed by the Department.

Labour Inspection cooperation and key partnerships

Integrated inspections occur on an *ad hoc* basis between the three inspection services under Malaysia's One Visit Policy where joint operations can target priority sectors or enterprises.

Notable reforms, innovations and challenges

The Ministry, together with the Departments, has undertaken reforms on all the labour laws of the country to be in line with international labour standards. The following Acts have been amended and are as follows:

- i. Children and Young Persons (Employment) Act 1966 (ACT 350) (amendments came into force on 01.02.2019)
- ii. Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990 (ACT 446) & Regulations (amendments came into force on 01.06.2020)
- iii. Employment Act 1955 (ACT 265) comes into force on 01.01.2023
- iv. Occupational Safety and Health Act 1994 comes into force on 01.06.2023
- v. Employee's Social Security Act 1969 came into force on 01.09.2022
- vi. Employment Insurance System Act 2017 came into force on 01.09.2022
- vii. Housewives' Social Security Act 2022 came into force on 01.12.2022

The Ministry continues work to update existing applications covering all aspect of enforcement and engages with the tripartite partners and ILO when embarking on new systems.

Reference materials and websites

[Ministry of Human Resources](#)

[Labour Department \(Peninsular\)](#)

[Labour Department \(Sabah\)](#)

[Labour Department \(Sarawak\)](#)

[DOSH](#)

[SOCISO](#)