

MEDIA RELEASE

MEF: Mandatory allowances for industrial training students will discourage private sector employers from offering internship placements

PETALING JAYA: Youth and Sports Minister YB Hannah Yeoh stated that a proposal to make it compulsory to pay allowances to students who undergo industrial training in the private sector as is done in the public sector, will be brought to the Cabinet for deliberation.

She said that the Ministry of Higher Education and the Ministry of Human Resources need to discuss the pros and cons of extending the implementation of the proposal to the private sector. For now, the government has not made it mandatory that private companies must pay allowances to students undergoing industrial training.

MEF President Datuk Dr. Syed Hussain Syed Husman P.J.N., J.P. stated that: “an internship is a chance for students or fresh graduates to gain valuable industry experience that will assist them to be more employable.

The proposal by the Youth and Sports Minister YB Hannah Yeoh to make it compulsory to pay allowances to students who undergo industrial training in the private sector will discourage private sector employers from offering places for internship.

Currently, private companies that take in Interns to undergo Industrial Training pay allowances at their discretion. The average allowance in bigger cities for an intern is about RM1,200, but there are interns being given allowances of less than RM1,000 per month. It all depends on the ability of the companies to grant the allowances. Some of the bigger companies are paying higher than RM1,200 per month.

Offering places for internship is voluntary on the part of the companies and any move to make it mandatory for employers to pay certain determined rate of allowance will make it not attractive for employers to take interns.

“Internships offer an opportunity for students to learn and grow their skills, and get first hand feel of the workplace which is not available in classrooms. Internship will enable the students to transition from the world of education to the workplace less painfully.

Internship programme can also be a useful opportunity for the students to impress employers on their capabilities and abilities and many high-potential candidates are recruited by the companies where they have the internship.

“Instead of making it mandatory for employers to pay internship allowance the government should consider giving more incentives to the employers to take in more interns and the government may then make it mandatory that all the undergraduates undergo internship attachment,” added Dato’ Dr. Syed Hussain

“Having said that, the government should not make it mandatory for employers to pay certain determined rate to the interns. MEF is of the view that employers should pay internship allowance at their discretion. It is advisable for employers that take interns to pay some allowance to the interns. Employers taking in interns need to take into consideration rising costs of living faced by the interns.”

“Generalized statements that the industries do not give allowance to interns is not fair to employers. In fact, employers have to carry out so much planning to ensure knowledge and skills are transferred to interns. Having internal leaders, supervisors, structured programs, exams, assignments and reviews for interns all take up much management time.

“What industries are doing for interns should be appreciated and stakeholders need to thank the efforts done by industries to interns. Let’s all be careful in making statements.”

For further information, please contact the MEF Secretariat at 03-7955-7778 or fax 03-7955-9008 or email mef-hq@mef.org.my.

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