

CIRCULAR NO. 10
A SURVEY OF THE IMPACT OF COVID-19 ON ALL MEMBERS
(EMPLOYER, EMPLOYEES & RETIREES)

Dear IEM Members,

In view of the COVID-19 pandemic and the enforcement of MCO by the government, The Institution of Engineers Malaysia (IEM) conducted two Surveys on the Impact of the COVID-19 Pandemic and the MCO on all IEM Members. The objective of the survey was to gather information on the impact of the Movement Control Order (MCO) on IEM members.

The first survey was conducted on 7th to 9th April 2020 to gauge the initial impact if any on IEM members and to seek their feedback on what IEM can do for them and their views on support needed from the government. Based on the feedbacks received, IEM submitted papers with recommendations compiled from the feedback to various Ministries such as the Economic Action Council (EAC) in the PM's Department, Ministry of International Trade and Industry (MITI), Ministry of Finance and Ministry of Works.

With the implementation of the Recovery MCO and a few industries being allowed to operate, IEM decided to send out another survey to follow up on the impact of the pandemic on IEM members. The survey was sent out by email blast to all members on 23rd May and closed on 5 June. Similar to the first survey, the respondents were categorised into Employees, Employers and Retired Engineers. The rationale of this categorization is to enable IEM to gauge the differing impacts to these three groups.

1. OBJECTIVE SURVEY NO. 3

- i. To understand the financial impact Post MCO/COVID-19 to IEM members in term of business/employer and personal
- ii. To understand Post MCO/COVID-19 impact on the employment status of IEM members
- iii. To obtain information on the most effective mode of support which IEM can provide to IEM members to face the challenges of Post MCO/COVID-19
- iv. To obtain feedback/suggestions from IEM members on possible initiatives which the government could take to revive the economy and the industry

2. REPORT

A total of 488 responses were received comprising 304 (62.3%) from the employees category, 144 (29.5%) from employer category and 40 (8.2%) from retired engineers.

64% of the employers were in involved Construction (Consultancy) and 6% Contractor/Sub Contractor. Other sectors generally make up only less than 1% each.

Of the employees, 83% were from private sector and 12% from public sector. Engineers from the construction sector still make up the majority of the responses with 54% while 31% was from Consultancy

sector, 14% Contractor/Sub Contractor and 6% in project management. 9% of the respondents were from manufacturing sector.

3. SUMMARY OF THE RESPONSES:

i. Resume Operations

Of those who responded, 69% of the employees and 68% of employers indicated that their companies had resumed operations on 4 May 2020.

ii. Feedback on Pay Cuts – current status

Employees	No pay cut	68%
	10 – 20%	14%
	20 – 50%	14%
	More than 50%	4%

Employers	No pay cut	64%
	10 – 20%	17%
	20 – 30%	10%
	More than 30%	9%

iii. Feedback on Possible Retrenchments/Further Pay cuts

Employees	Foresee retrenchment	21%
	Do not foresee any retrenchment	42%
	Not sure	37%

Employers	Foresee retrenchment	5%
	Do not foresee retrenchment	69%

Retirees	Foresee no additional pay cut	51%
	Foresee pay cuts of 40% and above	8%
	Foresee additional 10 – 40% pay cut	41%

iv. Impact of Post MCO on business revenue – from employers perspective

85% of the employers who responded indicated that there will be significant impact on their business revenue while 5% indicated no significant impact. 9% were not sure.

v. Impact of COVID-19 on employment – out of the 304 employees who responded to this question:

Expecting increase in workload	25%
Still employed but expecting work load to reduce	23%
Still employed but expecting to be retrenched	29%
Had been retrenched	2%
Income had reduced	25%
No effect and too early to tell	51%

- vi. Question on whether their companies were taking advantage of Government initiatives and support, the responses were:

Employees	Yes	22%
	No	32%
	Not sure	46%

Employers	Yes	51%
	No	49%

- vii. On the projection of reduction in revenue for 2020 compared to 2019, out of the 108 respondents who are employers:

43.5% indicated that there will be a reduction of between 25-50% while 23% projected a reduction of 50-75%. 15% projected a reduction of less than 25% with 11% indicating no change. 7% expect reduction to be more than 75%.

- viii. On the assessment of the impact of COVID-19 on the engineering industry in the next 3 months, the responses from the 40 retired engineers were recorded as follows:

65% forecasted that there will be an increase in unemployment, 73% forecasted pay cuts and/or retrenchments and 59% felt that it would be difficult for smaller businesses to sustain. 47% expected the pay cuts to be between 20 - 30% while 11% predicted that it will be between 10 - 20% or 40 - 50%.

3. DETAILED DEMOGRAPHICS OF THE RESPONDENTS:

Employees		Employers		Retired Engineers	
Gender					
Male	84%	Male	93%	Male	92%
Female	16%	Female	7%	Female	8%
Age					
Below 30	13%	Below 30	4%	Below 55	13%
31-40	41%	31-40	19%	55 - 65	30%
41-50	23%	41-50	29%	Above 65	57%
Above 50	23%	Above 50	48%		
Membership Grade					
Corporate Members	70%	Corporate Members	86%	Corporate Members	100%
Graduate Members	22%	Graduate Members	6%	Graduate Members	-
Other Non-Corporate Members	8%	Other Non-Corporate Members	8%	Other Non-Corporate Members	-
Registration with BEM					
PEPC	39%	PEPC	69%	PEPC	73%
PE	23%	PE	17%	PE	16%
Accredited Checker	-	Accredited Checker	-	Accredited Checker	-
Graduate Engineer	34%	Graduate Engineer	11%	Graduate Engineer	3%
Engineering Technologists	1%	Engineering Technologists	1%	Engineering Technologists	3%
Inspector of Works	1%	Inspector of Works	1%	Inspector of Works	-
Not registered	2%	Not registered	1%	Not registered	5%
Disciplines					
Civil	46%	Civil	56%	Civil	38%

Mechanical	24%	Mechanical	21%	Mechanical	25%
Electrical	16%	Electrical	16%	Electrical	12%
Electronic	4%	Electronic	2%	Electronic	-
Chemical	4%	Chemical	3%	Chemical	10%
Employer Category – Engineering Consultancy Practice					
Sole Proprietor	21%	Sole Proprietor	30%	Sole Proprietor	38%
Partnership	17%	Partnership	24%	Partnership	25%
Multi-disciplinary	23%	Multi-disciplinary	6%	Multi-disciplinary	12%
Body Corporate	39%	Body Corporate	40%	Body Corporate	-
Employer Category – Non-Engineering Consultancy Practice					
Sole Proprietor	1.3%	Sole Proprietor	15.6%		
Partnership	0.6%	Partnership	9.3%		
Sendirian Berhad	55%	Sendirian Berhad	56%		
Listed Company	15.1%	Listed Company	6%		
GLC	13%	GLC	6%		
MNC	15%	MNC	6%		

4. CONCLUSION

The survey results were obtained from 488 members out of IEM's membership strength of 22,479 members (Students excluded). This represents only 2.2% of the population size. Although the data collected might not project the situation affecting the whole population but IEM will take this information into consideration when preparing and submitting proposals to the government on the Route to Economic Recovery.

Besides the above statistical data, many of the recommendations from the respondents were very useful and we will be incorporating them as well into our proposals as well as adopt the opinions / recommendations provided where possible into IEM's operations henceforth.

We are pleased to inform that based on the feedback received from the first survey in April where quite a number of the respondents requested for online / virtual training sessions IEM's first webinar was presented on 18 April 2020. Since then, we had conducted 94 webinars up to 15 August 2020 with attendance of 14,999 participants in total. Of this, about 40.5% were members from outside Klang Valley. In the pipeline, we have another 17 webinars in the line-up until October 2020.

Another item highlighted by members in the survey was on the possibility of unemployment. It was suggested that IEM could look into avenues to assist members look for a job. IEM had since enhanced the IEM Job Gallery which is aimed at matching jobs with members. Over the last one month, a total of 24 job postings had been received and 37 resumes had been received from members seeking positions. IEM will continue to enhance and populate the Gallery with job postings. Members can either post their jobs vacancies or resumes to IEM Secretariat.

IEM
The Institution of Engineers, Malaysia

Looking for Engineering Talents?
Post your recruitments ads in the IEM Job Gallery
It's Free!

LOOKING FOR A JOB?
Post your resume in the IEM Job Gallery
It's Free!

For further information, please contact:
Ms Natasha – natasha@iem.org.my
Ms Suhana – suhana@iem.org.my
or give them a ring at 03-79684003/4014

IEM will continue to keep members updated on latest announcements from the ministries or government agencies related or affecting the engineering industry. Do keep a look out for our email blast or visit the IEM website at www.myiem.org.my under the tab 'RELATED TO ENGINEERING' or join our Telegram Channel to receive faster updates.



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Thank you
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Ad Hoc Committee on COVID-19
The Institution of Engineers, Malaysia
9th September 2020

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