

IN THE INDUSTRIAL COURT OF MALAYSIA CASE NO. 20/4-2562/21
BETWEEN
HASLINDA BINTI IDRIS AND SKY PARK PROPERTIES SDN. BHD.
AWARD NO: 1297 OF 2025

1. Main Findings & Outcome

- Claimant: Haslinda Binti Idris (Assistant Finance Manager, 12 years' service).
- Dismissal: Company cited **redundancy** (cost-cutting, restructuring).
- Court's Evaluation:
 - Company produced sufficient evidence of **financial downturn** and restructuring.
 - Work previously done by claimant was **absorbed by others**, consistent with role abolishment.
 - LIFO rule not rigid — company had valid reasons for selection.
- **Outcome:** Court held the dismissal was **with just cause and excuse**.
 - Claim dismissed; claimant not entitled to reinstatement or compensation.

2. Legal Principles on Retrenchment / Redundancy (reaffirmed)

1. Employer has the **right to reorganize** for efficiency/cost control.
2. Retrenchment must be exercised **in good faith**, not as a disguise for targeting staff.
3. Court looks for:
 - **Financial justification** (decline in revenue, cost rationalisation).
 - **Abolishment of role** (not just replacing employee).
 - **Fair selection criteria** (LIFO or valid business reasons for deviation).
 - **Exploration of alternatives** where reasonable.
4. Burden of proof: Employer must justify redundancy, but once proven, Court will not interfere with business discretion.

3. Simplified Case Brief

- **Facts:**
 - Claimant was terminated in Dec 2020 due to restructuring.
 - She argued dismissal was unfair; company said role abolished due to downturn.
- **Issue:**
 - Was the dismissal a genuine redundancy (just cause) or unfair dismissal?
- **Decision:**
 - Court ruled in favour of the **Company** — dismissal was justified.
- **Reasoning:**
 - Company showed bona fide business reasons and restructuring.
 - No evidence of mala fides (bad faith).
 - Retrenchment consistent with financial and operational needs.

4. HR / Management Lessons

1. **Evidence is Key** — Employers must keep financial statements, restructuring charts, and cost-saving measures as proof.
2. **Good Faith** — Redundancy should align with genuine business reasons, not personal conflicts.
3. **Selection Must Be Defensible** — LIFO is not absolute; performance, skills, and business needs can override, but must be justified.
4. **Absorption of Work** — If duties are redistributed (not refilled), retrenchment is more credible.
5. **Legal Risk Management** — Employers who demonstrate **documentation + fair process** stand a strong chance in Industrial Court.

☐ So in this case, **Sky Park Properties Sdn. Bhd. succeeded**, and the Court upheld retrenchment as fair.