

Sulaiman Bin Ab Hamid v. KLCC Property Holdings Berhad

Award No.: 1788 of 2025

Case No.: 22/4-2840/21

Judge: Y.A. Tuan Paramalingam a/l J. Doraisamy

Date of Award: 19 November 2025

Key Dates:

Dismissal: 10 February 2021

Hearing Dates: 2022 - 2025

Domestic Inquiry: 10 December 2020 (conducted in the Claimant's absence)

Case Overview

The Claimant, the Head of Human Resource Management for the KLCC Group (a PETRONAS entity), was dismissed after being arrested in a police raid at his residence on 16 April 2020. The police found a package containing suspected drugs being delivered to him via Lalamove. An initial urine screening at the police station tested positive for methamphetamine, though a subsequent lab test from the Pathology Department returned negative. The Company dismissed him after a domestic inquiry found him guilty of four charges of misconduct.

The Four Charges & Court's Findings

The Court found the Company had proven, on a balance of probabilities, that the Claimant was guilty of all four charges:

1. **Charge 1: Positive Initial Urine Test** – The charge was based on the **initial positive test** at the time of arrest, not the later lab test. The Court held this alone constituted serious misconduct. The Claimant's own admission that he had taken methamphetamine "4 days before" his arrest solidified this charge.
2. **Charge 2: Purchasing Drugs online** – The Court accepted the Claimant's own **voluntary statements** where he admitted to ordering, paying for, and arranging the delivery of the drugs to his residence. The lack of a chemical analysis report from the police was not fatal, as the standard of proof in the Industrial Court is on a balance of probabilities, not beyond reasonable doubt.
3. **Charge 3: Dishonesty Regarding Leave** – The Claimant lied to his superior, stating he needed emergency leave for "family matters" when he had actually been arrested and remanded. The Court found this a clear act of dishonesty that breached the fundamental trust in the employment relationship.
4. **Charge 4: Tarnishing the Company's Reputation** – As a senior Head of Department involved in drug-related activities, the Claimant's conduct severely damaged the Company's and PETRONAS's reputation. The Court held that the mere fact of the arrest and the nature of the allegations were sufficient to bring the company into disrepute, regardless of a criminal conviction.

Key Legal Principles and Learning Points

1. **Standard of Proof is Different from Criminal Law:** The Industrial Court decides cases on a "**balance of probabilities**", which is a lower standard than the "beyond reasonable doubt" required in criminal courts. An employer does not need to prove a criminal offence, only that the misconduct more likely than not occurred.
2. **Internal Discipline is Independent of Criminal Proceedings:** An employer is **not required to wait** for the outcome of a police investigation or criminal trial before taking internal disciplinary action. The two processes can run concurrently.
3. **An Employee's Admission is Powerful Evidence:** The Claimant's own detailed, voluntary admissions during the internal investigation and in court were the most critical evidence against him. Employees should be aware that anything they admit can be used in disciplinary proceedings.
4. **Procedural Flaws in Domestic Inquiry Can Be Cured:** If a domestic inquiry is flawed or not held, the defect can be **cured at the Industrial Court**. The Court will conduct a *de*

novo (fresh) hearing to determine the substantive merits of the case. An employee cannot rely on a procedural error to overturn a dismissal if the employer can prove the misconduct at the Industrial Court.

5. **Dishonesty Erodes Trust Fundamentally:** Lying to an employer, especially about a serious matter like an arrest, is a major breach of trust and integrity that often justifies dismissal, even for a long-serving employee.
6. **Seniority Carries Greater Responsibility:** Employees in senior and leadership positions are held to a higher standard of conduct. Their misconduct can have a more significant impact on the company's reputation and can justify more severe disciplinary action.
7. **Drug-Related Misconduct is Deemed Very Serious:** The Court strongly affirmed that substance abuse, especially by employees in positions of trust, is a grave misconduct that employers cannot be expected to tolerate, as it threatens safety, security, and corporate reputation.

Conclusion

The Industrial Court dismissed the Claimant's case, ruling that his dismissal was with just cause and excuse. The Company successfully discharged its burden of proving the misconduct, and the Court found the dismissal to be a proportionate response to the gravity of the offences, particularly given the Claimant's high-ranking position.