



To: Chief Executive Officers / Human Resource Managers

FMM Advisory on Flexible Working Arrangement Consideration During the Current Middle East Crisis

The ongoing Middle East conflict has resulted in fuel supply disruptions, impacting transportation costs, disrupting supply chains on some key raw materials required by the industry, with the potential to cause severe impact on business operations and sustainability should the conflict be prolonged. YAB Prime Minister has announced that the Government is considering Work From Home (WFH) arrangements for civil servants and has called on the private sector to also consider WFH and other Flexible Work Arrangements (FWA) as part of a national response to ease pressure on fuel consumption and support worker welfare.

The Federation of Malaysian Manufacturing (FMM) recognises both the national interest underpinning this call and the operational realities faced by the members particularly in manufacturing, where full remote work is structurally not feasible for a significant portion of the workforce.

To guide members in responding to this call as well as employees request during this period, the following outlines the legal framework and FMM's advice for further consideration.

a. Legal Framework: Sections 60P and 60Q, Employment Act 1955

- i. Sections 60P and 60Q, introduced under the Employment (Amendment) Act 2022 and effective from January 1, 2023, formally recognises Flexible Working Arrangements (FWA) under Malaysian law.
- ii. Under Section 60P, an employee may apply to vary:
 - Hours of work
 - Days of work
 - Place of work (including WFH)
- iii. Under Section 60Q, employers are required to:
 - Receive applications in writing
 - Respond within 60 days
 - Communicate the decision in writing
 - State the grounds for refusal, where applicable
- iv. Employers should note that FWA is not an absolute employee entitlement. Any application remains subject to the contract of service and, where applicable, any collective agreement. However, refusals must be reasoned, documented, and defensible.

b. FMM Guidance to Members

- i. In this regard, members should take on a balanced and practical approach given that manufacturing operations vary significantly from office-based functions to production environments where WFH is not feasible. Accordingly, FMM does not prescribe a uniform approach.
- ii. At the same time, members are encouraged to approach requests during this period with good faith and operational flexibility, particularly where roles are genuinely WFH-compatible.

- iii. Blanket refusals without proper consideration especially in the current climate carry both reputational and potential legal risk.
- iv. Critical steps and matters to consider:
- **Assess role by role, not by policy alone**
A uniform “no WFH” approach across all roles is neither equitable nor legally prudent. Each request should be assessed based on operational realities.
 - **Comply with the 60-day response requirement**
A written response within 60 days is mandatory under Section 60Q. Failure to respond within this timeframe does not amount to a valid refusal, but it may expose the employer to non-compliance risks under the Act and weaken the employer’s position in any subsequent dispute.
 - **Provide clear and defensible reasons for refusal**
Generic justifications are insufficient. Employers should state specific operational grounds and retain supporting documentation. Poorly reasoned refusals may expose the company to dispute risks, including claims framed around constructive dismissal.
 - **Consider hybrid or partial arrangements**
Where full WFH is not feasible, explore alternatives such as staggered shifts, compressed workweeks, or reduced on-site days. These reflect both the intent of Section 60P and the broader national call.
 - **Formalise or update FWA policies**
Members without a formal framework are encouraged to establish one. A structured policy, covering eligibility, application procedures, decision criteria, and review mechanisms, provides clarity and legal protection.
 - **Maintain proper documentation**
All decisions, approval, partial approval, or refusal, should be recorded in writing. This is critical in the event of Labour Department inquiries or Industrial Court proceedings.

The current context is not a business-as-usual situation. YAB Prime Minister’s call represents a national appeal, not a legal directive. Employers retain full managerial prerogative. However, that prerogative should be exercised with judgment, proportionality, and awareness of the broader context. A workforce that feels heard and fairly treated during periods of national strain is more likely to respond with commitment and resilience when it matters most.

Members requiring guidance on FWA policy development may refer to the FMM Circular [GPR/16/2024](#) or contact TalentCorp at flexworklife@talentcorp.com.my.

For enquiries on Section 60P compliance, or workforce structuring during this period, member may contact **Mr K Kesavan of the FMM HR/IR Advisory OR Ms Sofinar Abdul Halim from Business Environment Division, FMM Head Office** at Tel: 03-6286 7200, or e-mail: hradvisory@fmm.org.my OR Business_Environment@fmm.org.my.



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