

TOP GLOVE WANTS TO TRIM DEPENDENCY IN FOREIGN WORKERS

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SETIA ALAM: Top Glove Corp Bhd, embarking on digital adoption since 2012, intends to reduce foreign workers in its workforce.

The world's largest glove maker aims to reduce the ratio of foreign workers to locals to 50%, from 75% presently, over the medium term, according to Top Glove information technology general manager Chee Yih Tzuen.

“Our total workforce is about 14,000 currently and the industry is competitive, so we have to do it (cut foreign workers) immediately,” he said on the sideline during the group's factory tour yesterday.

In the past three years, Chee said Top Glove has reduced its dependency on foreign workers, having trimmed about 1,000 workers.

“We have to ensure that we reduce our foreign workers. If we don't do that, we cannot maintain our operation cost due to higher minimum wage.”

Top Glove managing director Datuk Lee Kim Meow said labour traditionally constitutes about 10% of the group's cost of production.

“Each foreign worker costs us about RM2,000 per month, so imagine in a year, how much savings we can make.

“That itself is a big achievement. The cost continues to go up because of the levy and minimum wage whereas by investing in technology, the cost continues to come down,” he said at a media briefing.

Top Glove collaborated with Malaysia Digital Economy Corp Sdn Bhd (MDEC) in August 2016 to further enhance its efficiency.

MDEC chief operating officer Datuk Ng Wan Peng said digital adoption includes cloud computing technology, used to identify new opportunities, and the Internet of things — the ability to transfer data over a network without human-to-human or human-to-computer interaction.

“You need to have digital adoption in your business, of which you have to integrate the technology. We cannot automate something in [the] old [ways of] thinking,” she said, pointing out that digital adoption has changed the market forces.

For the financial year ending Aug 31, 2018 (FY18), Chee said the group is spending about 1% of the RM3.41 billion revenue recorded in FY17 to enhance its digital adoption.