

**SUCCESS STORY IN YEAR 2022 : GROUP CASE(S) HANDLED BY  
INDUSTRIAL RELATIONS DEPARTMENT SELANGOR UNDER SECTION 20  
INDUSTRIAL RELATIONS ACT 1967**

**79 CLAIMANTS VS ONKYO ASIA ELECTRONICS SDN BHD**

**1. THE INTRODUCTION**

Onkyo Asia Electronics Sdn Bhd is one of subsidiaries under Onkyo Corporation which is a Japanese consumer electronics company, specializing in premium home cinema and audio equipment, including AV receivers, surround sound speakers and portable devices. The word Onkyo translates as "sound resonance". [1]

Onkyo Asia Electronics Sdn Bhd manufactures consumer electronic audio and video equipment products. The Company offers A/V network receivers, A/V separates, Blu-ray and DVD players, receivers, amplifiers, tuners, CD players, speakers, and system components and accessories. Onkyo provides their products to customers worldwide.[2]

Onkyo Asia Electronics Sdn Bhd was operating in Malaysia since year of 1988 and located in Bandar Baru Bangi, Selangor Darul Ehsan.

**2. THE ISSUE / CHALLENGE**

In this representative case(s), the mother company of Onkyo Asia Electronics Sdn Bhd located in Japan had come into the decision of business closure due to post business effect of pandemic Covid-19 which occurred in year of 2020.

This lead Onkyo Asia Electronics Sdn Bhd left with no choice to discontinue their business as there were no more support order from their mother company. Thus, Onkyo Asia Electronics Sdn Bhd had conducted town hall session with all the employees on 20<sup>th</sup> September 2022 to announce the company decision for retrenchment via letter dated 20<sup>th</sup> September 2022.

On 29<sup>th</sup> September 2022, Industrial Relations Department Selangor had received 79 cases filed under Section 20 Industrial Relations Act 1967 against the company under name of Onkyo Asia Electronics Sdn Bhd.

Total of 79 claimants made decisions to lodge cases against the company under Section 20, Industrial Relations Act 1967 in Industrial Relations Department Selangor while they were still serving the notice period until their last working day on 20<sup>th</sup> October 2022.

### 3. THE SOLUTION

All the 79 files had been segregated into few groups that been handled by all officers in Industrial Relations Department Selangor as follows: -

| NO.          | NAME OF OFFICER(S)                    | TOTAL CLAIMANT(S) |
|--------------|---------------------------------------|-------------------|
| 1.           | Puan Mariana Binti Mat Deris          | 3                 |
| 2.           | Puan Siti Norhayati Binti Mohd Sharif | 3                 |
| 3.           | Puan Norhaslynda Ab Razak             | 3                 |
| 4.           | Puan Noor Sham Binti Ab. Hamid        | 3                 |
| 5.           | Puan Effa Izuan Binti Ab. Jabar       | 6                 |
| 6.           | Puan Farhan Nashrah Binti Fudzil      | 6                 |
| 7.           | Encik Mohd Zaini Bin Rohimi           | 6                 |
| 8.           | Puan Khairiah Binti Ahmad Kadir       | 3                 |
| 9.           | Puan Nur Fatin Binti A. Nor Azmi      | 6                 |
| 10.          | Puan Harniza Binti Sadiman            | 6                 |
| 11.          | Puan Anitha A/P Thasarathan           | 6                 |
| 12.          | Encik Zainurol Fazli Bin Zainudin     | 6                 |
| 13.          | Encik Aizul Azmi Bin Azhar            | 6                 |
| 14.          | Cik Nurul Nadieya Binti Nani          | 6                 |
| <b>TOTAL</b> |                                       | <b>79</b>         |

The first conciliation meeting was set on 12<sup>th</sup> October 2022 been postponed to 13<sup>th</sup> October 2022 due to postponement by the employer's side. The meeting attended by all officers together with the Director of Industrial Relations Department Selangor, Puan Anita Binti Ahmad.

For the claimants' side, they were represented by Encik Mohamad Hamdan Dorhallim, a representative from Electrical Industry Workers Union (EIWU) that initially wanted to proceed with secret ballot before the company closure. However, in this representation, he attended by using 'Borang K' to represent all the claimants during the conciliation meeting within the Department.

For the employer's side, Encik Abdul Haris Awang – Managing Director, Puan Rosnah Kasa – Human Resources Manager and Encik Mohd Hanifah Sultan – Advisor attended the meeting as the company representatives.

During that meeting, the company representatives highlighted that the operation of the company been ceased and they were in the process of selling all the company assets. Thus, there is no possibility for reinstatement in these cases. However, the company representatives need to further check on the alternative settlement that could be offered to all employees of the company including these 79 claimants.

In this representative(s), total of 79 claimants were involving 72 local employees and seven (7) foreign workers. All the seven (7) foreign workers already been paid and received the settlement payment from the company on 19<sup>th</sup> October 2022 with total final amount of RM 35,899.30 and already went back to their originated countries due to expiring of working visa in Malaysia.

The second conciliation meeting was held on 02<sup>nd</sup> November 2022, the company representatives informed that there were few potential buyers who committed to buy the company assets hence the company will get required portion of money to pay all the liabilities including the ex-gratia for all 79 claimants. According to the company representatives, one of the potential buyers already agreed with the required terms and conditions. The company representatives expressed their willingness to offer the ex-gratia payment to all the claimants based on their year(s) of service in the company as the alternative settlements within the Department.

However, the company representatives highlighted that the payment shall been made upon completion of the process for selling the company assets. The process might take not less than six (6) months depends on any in circumstance(s) but the company will try to clear all the payments as soon as possible upon the completion of the process. They gave the expectation date of payment by 02<sup>nd</sup> September 2023. All the claimants acknowledged about that matter and willing to accept the terms and conditions for the alternative settlements offered by the company as long as they will get their termination benefit with a written in black and white.



*Photo(s) during the first conciliation meeting on 13<sup>th</sup> October 2022.*

#### 4. THE RESULT

On 9<sup>th</sup> November 2022, the Department had prepared total of 79 Memorandum of Agreement(s) – (MOA) for each claimant since there were mutual agreement between both parties for these cases. The MOA(s) were prepared in order to bind both parties with the agreed settlements and it had been signed by the company representative, Encik Abd Haris Awang – Managing Director and all of the claimants during the session. Some of the claimants signed via email and returned the completed MOA(s) for further record. Total amount of the settlements for these cases were RM 2,125,149.30 including the settlement amount of RM 35,899.30 that had been paid to seven (7) foreign workers earlier.



*Photo during the session of signing the Memorandum of Agreement on 09<sup>th</sup> November 2022.*

#### 5. THE CONCLUSION

All the parties accepted the offered settlement and will keep updating to the Department on the progress for the payment. They appreciated the efforts of the Department for helping them to find a better win-win solution by getting a written settlement documented via the Memorandum of Agreement(s).

#### REFERENCE

Wikipedia, [n.d.], Onkyo. Retrived from <https://en.wikipedia.org/wiki/Onkyo> on January 2023  
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