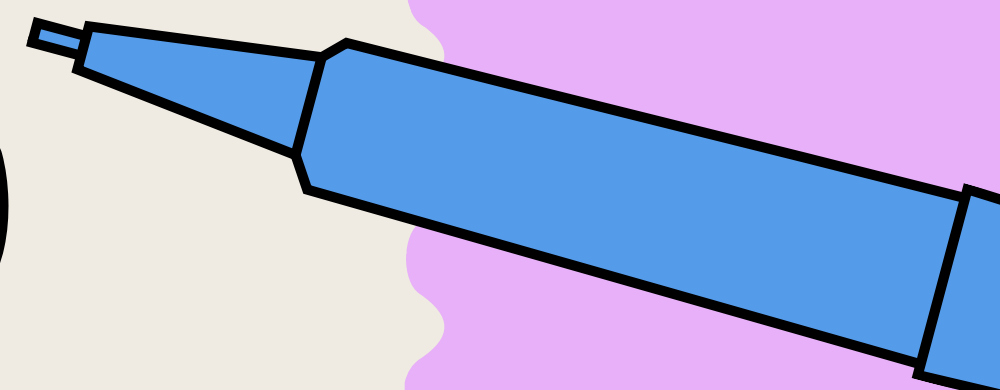
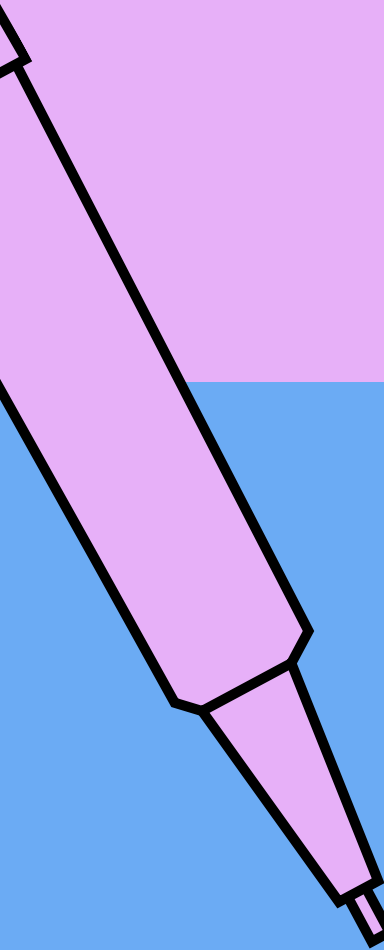




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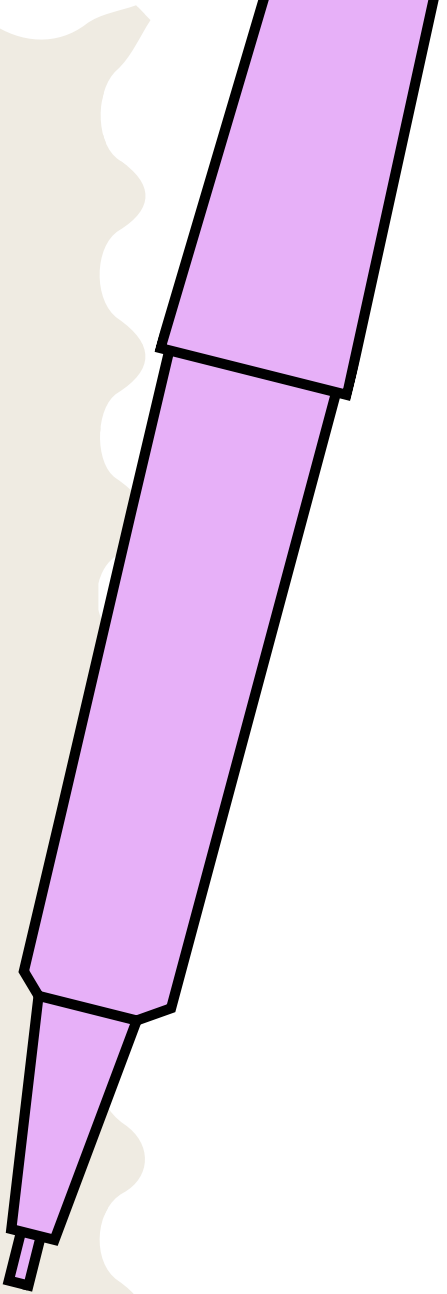
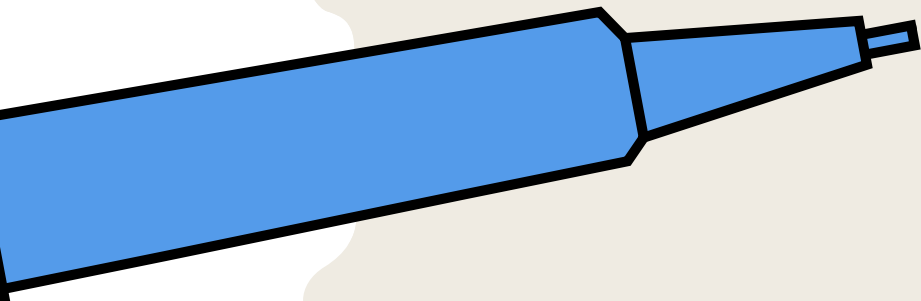
53 terms with definition & example

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Employment Law Made Simple

53 terms with definition & example

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Employment Law Made Simple
53 terms with definition & example

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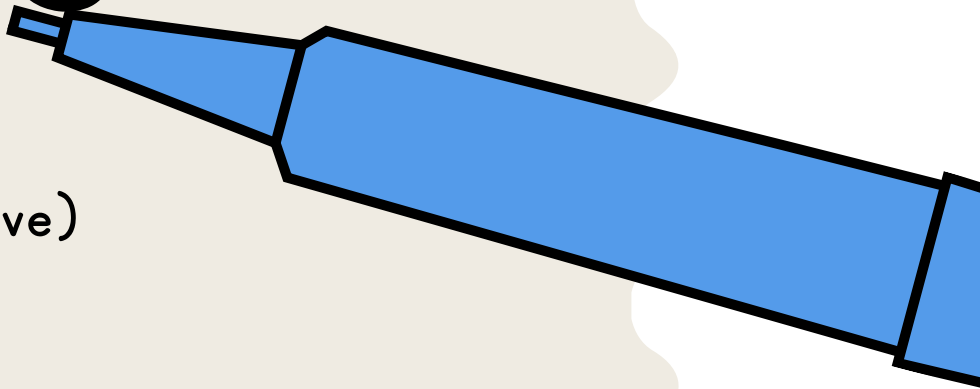
Preface

This glossary, *Employment Law Made Simple: 53 terms with definition & example*, has been developed to serve as a quick reference guide for students, practitioners, and anyone interested in understanding the essential terms used in employment law. By presenting fifty three carefully selected terms, along with clear definitions and practical examples, this book aims to simplify complex legal concepts and make them more accessible to readers.

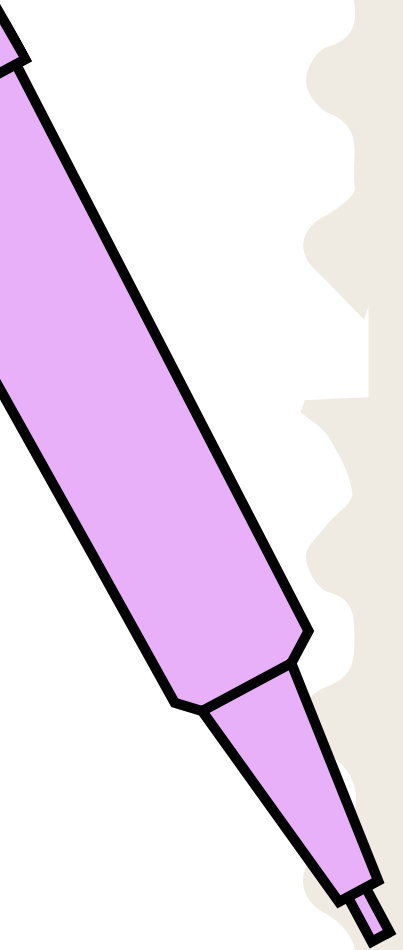
The glossary is arranged alphabetically for easy navigation and supported by authoritative references, ensuring accuracy and reliability. It is my hope that this resource not only supports classroom learning but also encourages greater awareness of the rights and responsibilities that exist within the employment landscape of Malaysia.

Special thanks are extended to colleagues, students, and peers whose insights and curiosity inspired the creation of this resource. May this book serve as a helpful companion in your learning journey and professional practice.

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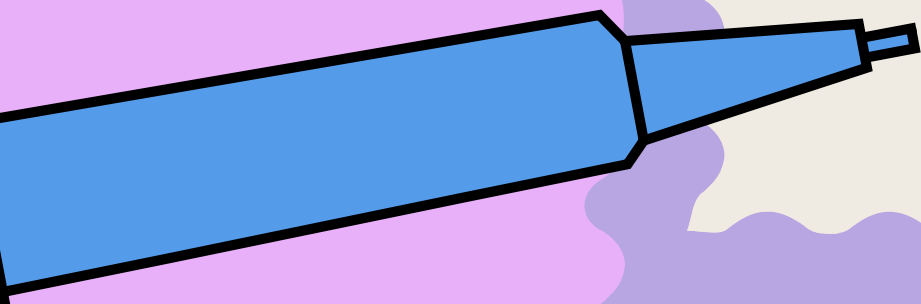
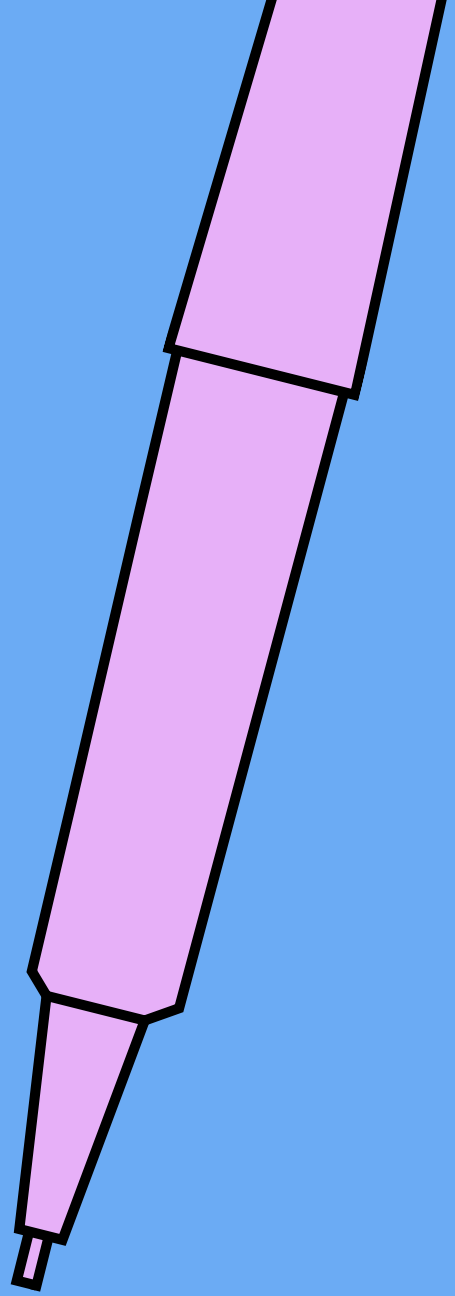
Abscondment

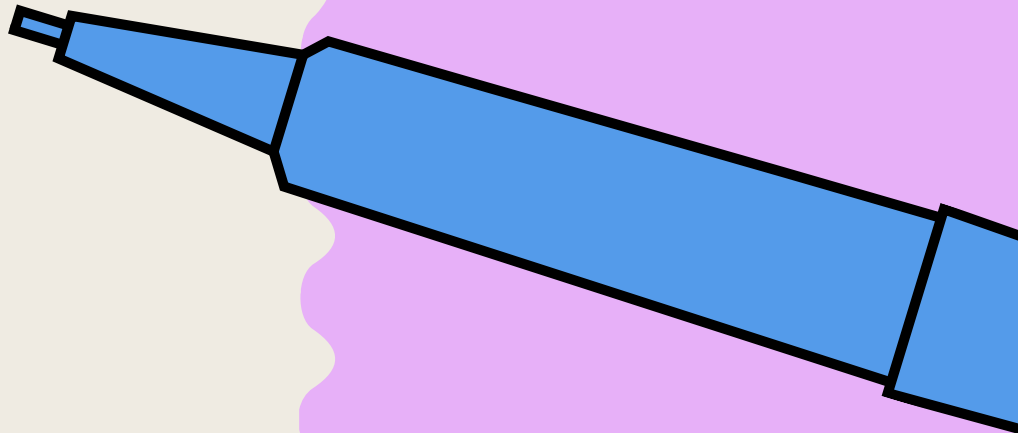
Definition:

When an employee abandons their job without notifying the employer

Example:

An employee who stops coming to work for weeks without notice is considered to have absconded





Annual Leave

Definition:

Paid leave granted to employees under the Employment Act 1955

Example:

A worker with 5 years' service is entitled to 16 days of annual leave per year

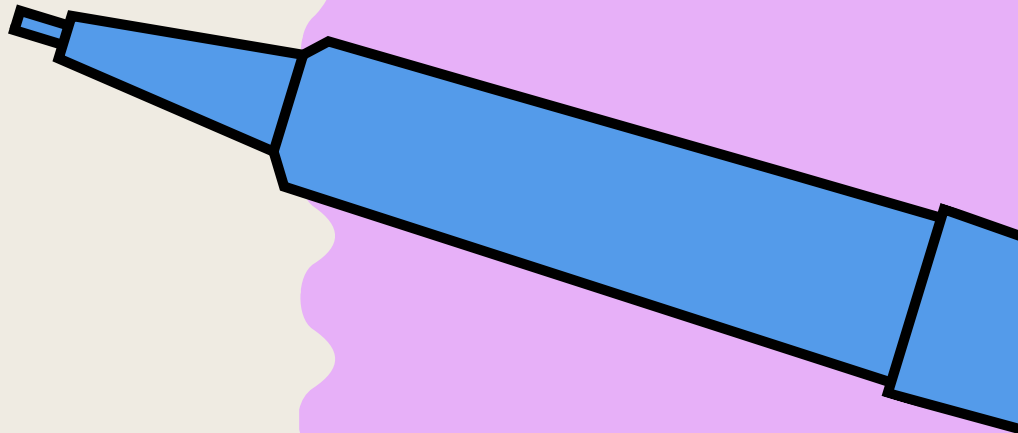
Apprenticeship Contract

Definition:

A formal agreement for training a worker in a trade or skill

Example:

A bakery hires a trainee under an apprenticeship contract for 2 years



Basic Salary

Definition:

The fixed wage paid to an employee before allowances or deductions

Example:

An employee's basic salary is RM2,500 before overtime and allowances

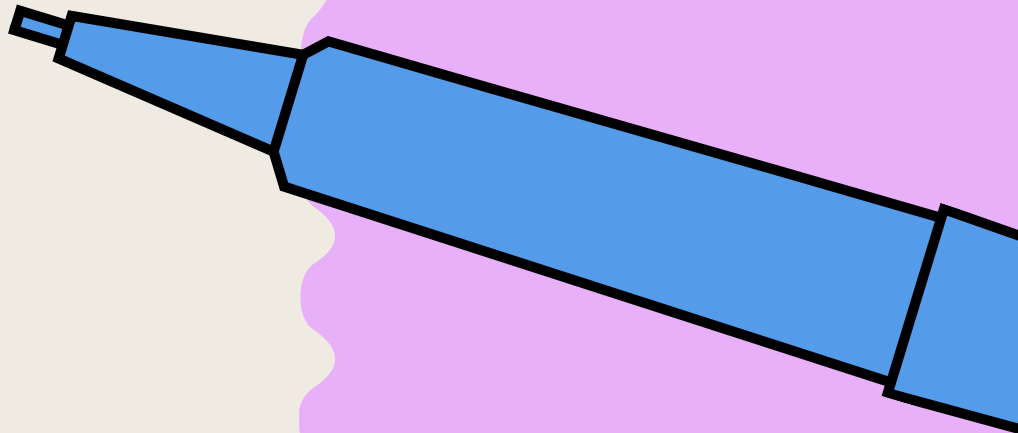
Bonus

Definition:

Extra payment given by employers, either contractual or discretionary

Example:

A company pays a one-month bonus before Hari Raya



Break Time

Definition:

Rest period given during working hours as per the Employment Act

Example:

Employees working more than 5 consecutive hours must get at least a 30-minute break

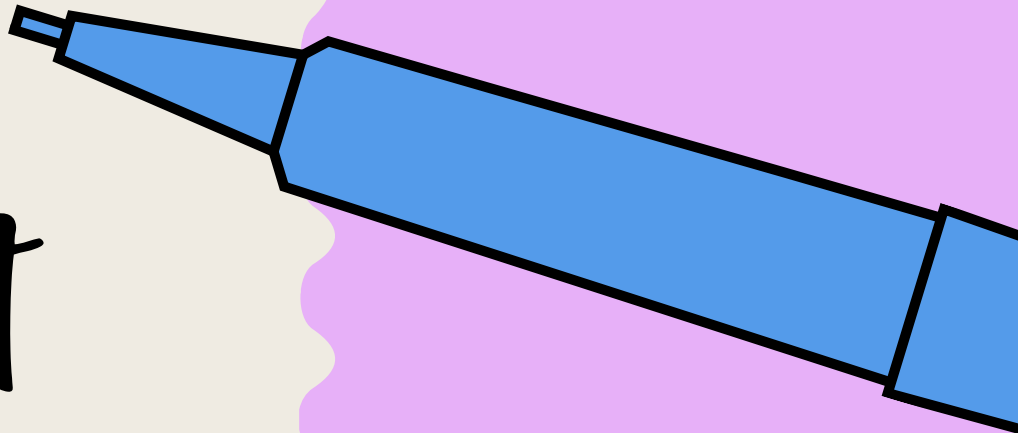
Code of Conduct

Definition:

A set of rules outlining expected employee behavior

Example:

A company code prohibits employees from accepting gifts from clients



Collective Agreement

Definition:

A written agreement between employer and trade union regarding employment terms

Example:

The union and management agreed on a 5% salary increment in the collective agreement

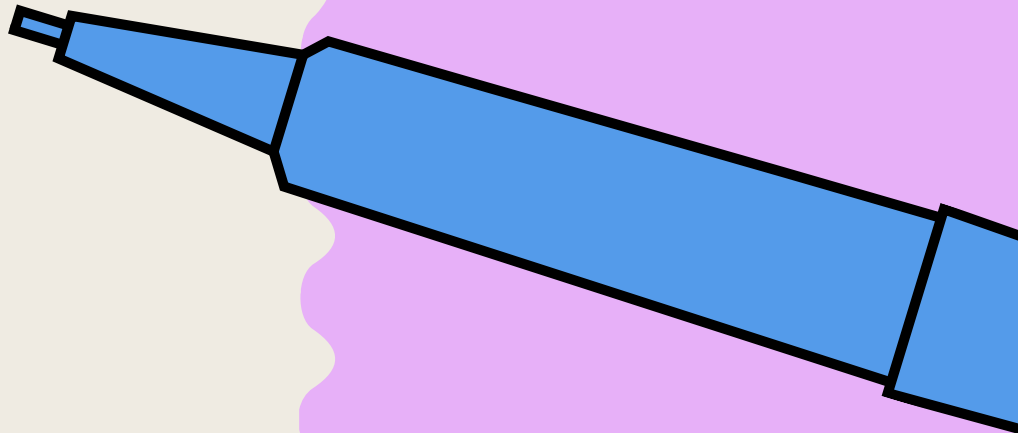
Compassionate Leave

Definition:

Paid leave given to employees due to the death of a close family member

Example:

An employee takes 3 days of compassionate leave after the passing of a parent



Dismissal

Definition:

Termination of employment by an employer due to misconduct or poor performance

Example:

An employee caught stealing company property was dismissed

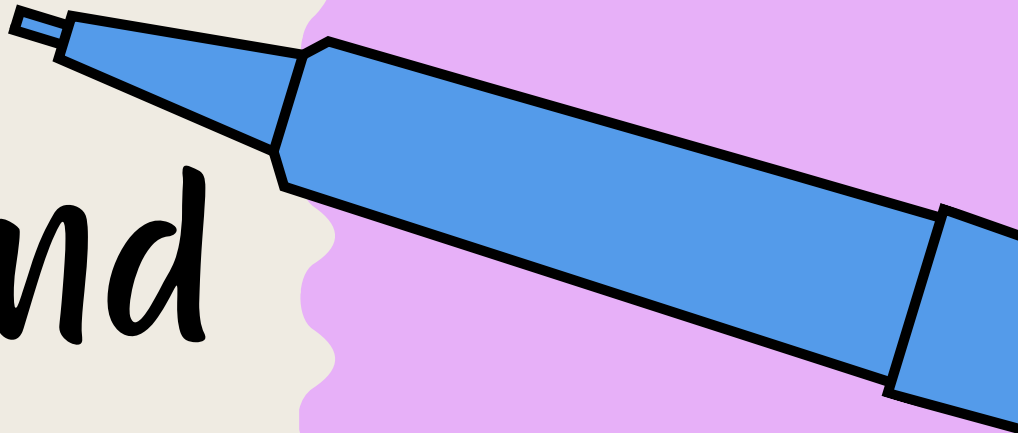
Discrimination

Definition:

Unfair treatment based on gender, race, religion,
or other factors

Example:

Refusing to hire someone because of their race is
workplace discrimination



Employee Provident Fund (EPF)

Definition:

A compulsory savings scheme for retirement

Example:

Employers and employees contribute
monthly to the EPF

Employment Contract

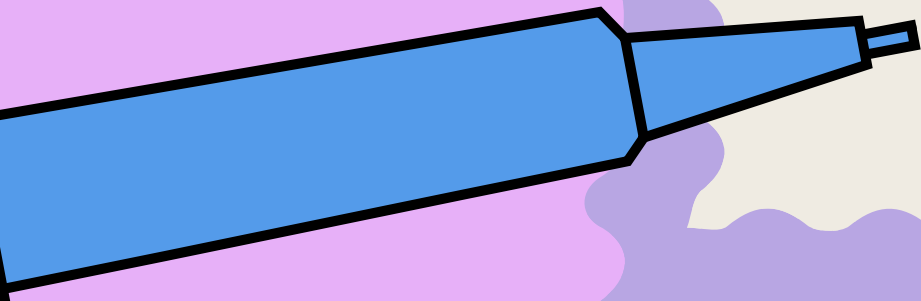
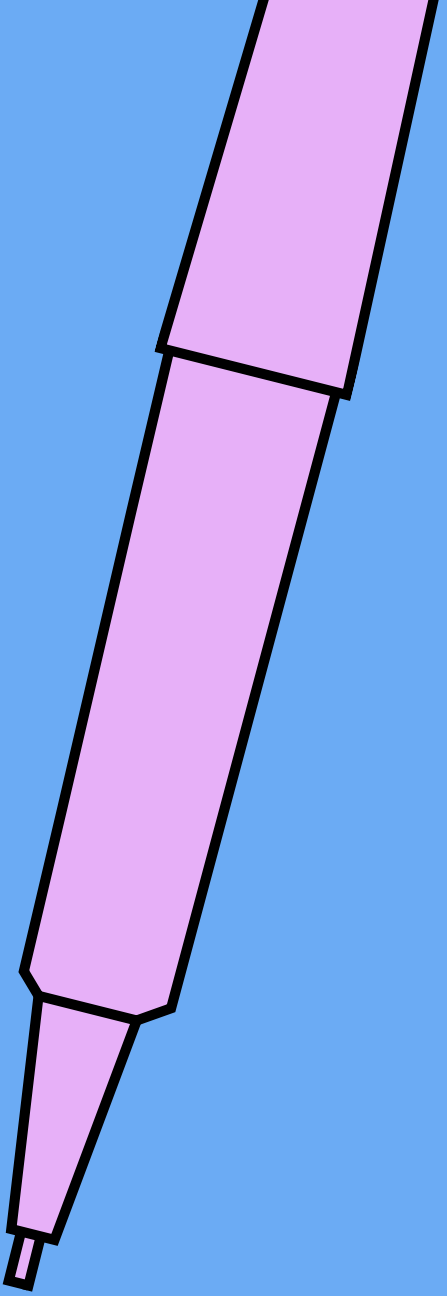


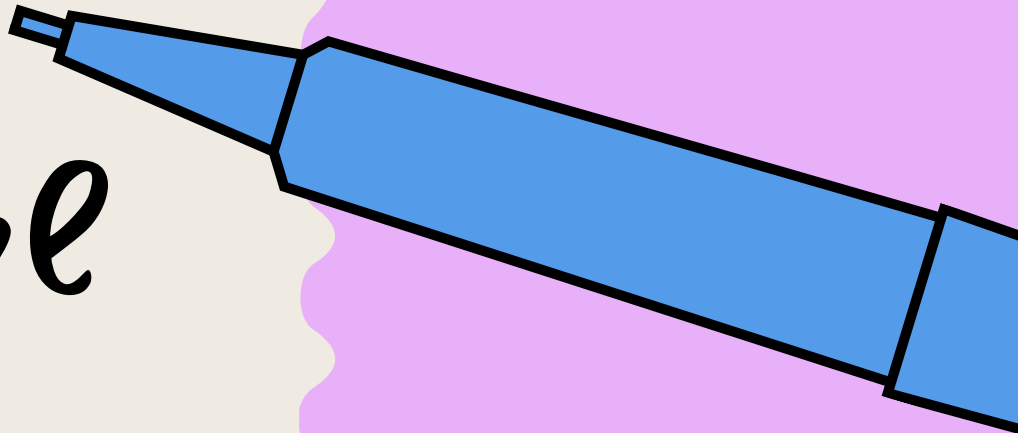
Definition:

A legal agreement stating terms and conditions of employment

Example:

A written contract specifies working hours, salary, and job scope





Employment Insurance System (EIS)

Definition:

Provides financial aid and training to workers who lose their jobs

Example:

An employee retrenched from a factory can claim benefits from EIS

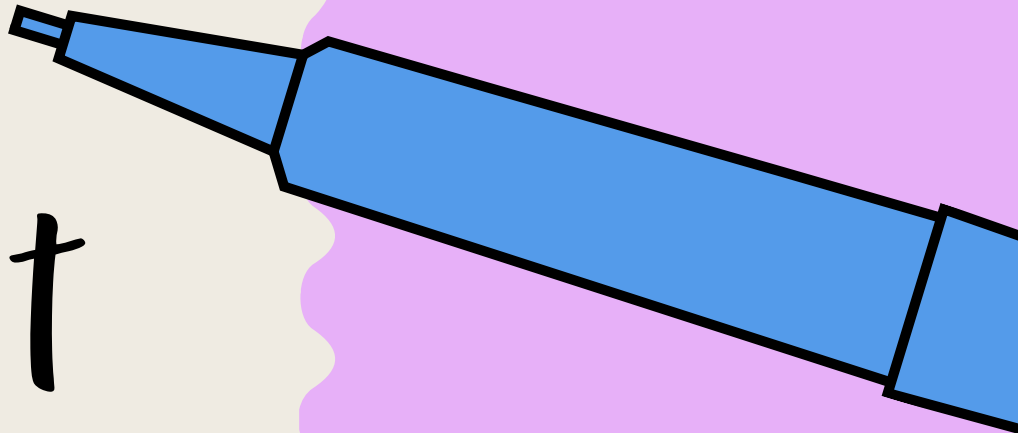
Employment Act 1955

Definition:

The main legislation governing employment
in Malaysia

Example:

The Act outlines minimum leave entitlements
for employees



Fixed-Term Contract

Definition:

Employment agreement for a set period

Example:

A company hires a project manager on a 12-month fixed-term contract

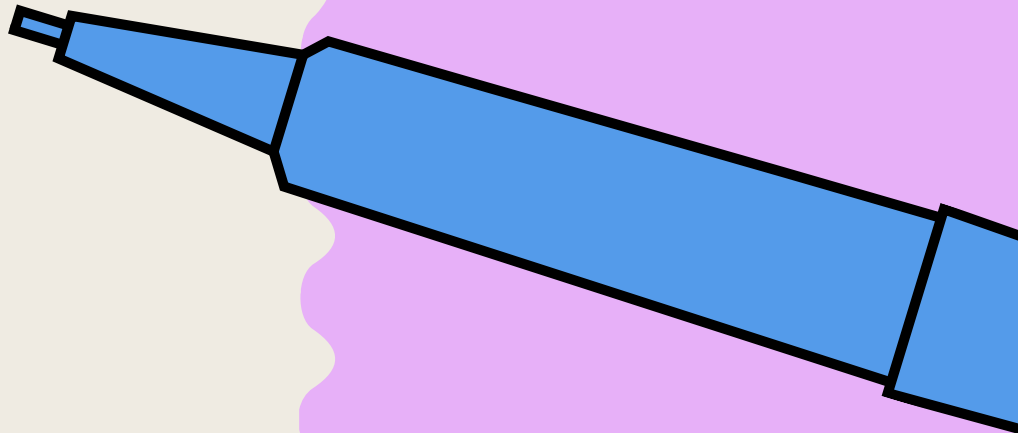
Forced Labour

Definition:

Work performed under coercion, threat, or without consent

Example:

Confiscating workers' passports and forcing them to work is forced labour



Gratuity

Definition:

A lump sum payment given at the end of service as a reward

Example:

An employee receives gratuity upon retirement after 30 years of service

Gross Misconduct

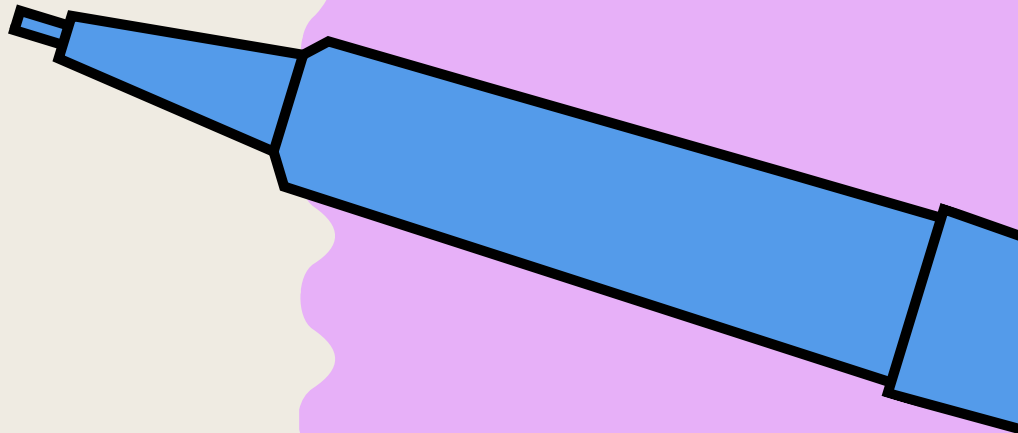
Definition:

Serious violation of company rules justifying dismissal

Example:

Physical assault at the workplace is gross misconduct

Harassment

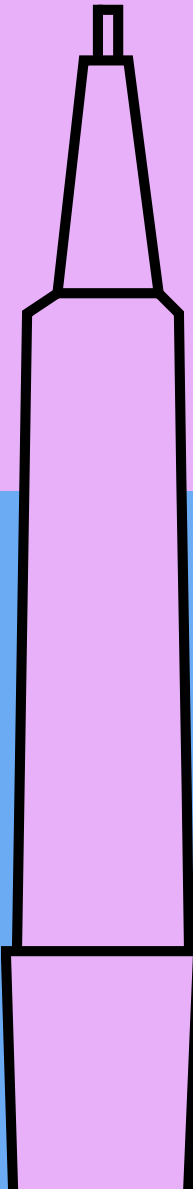


Definition:

Unwelcome conduct causing discomfort or intimidation

Example:

Persistent offensive jokes directed at an employee



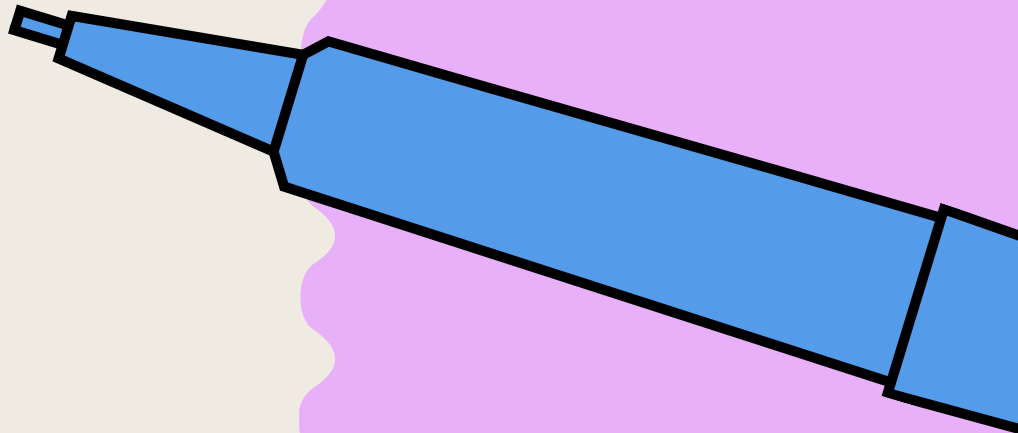
Holiday (Public Holiday)

Definition:

Official non-working days declared by law

Example:

Employees are entitled to 11 paid public holidays annually



Hours of Work

Definition:

Duration an employee is required to work under contract

Example:

Employment Act 1955 highlight that an employees' hours of week for a week is 45 hours

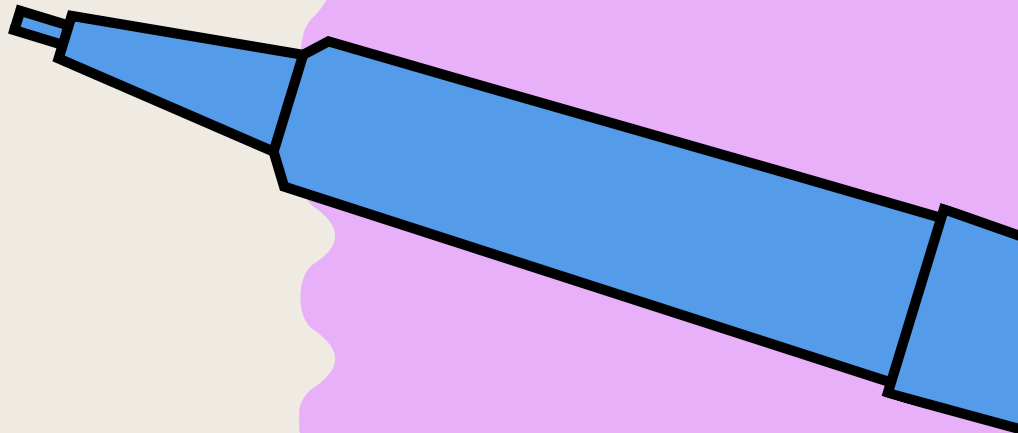
Industrial Court

Definition:

Tribunal that resolves disputes between employers and employees

Example:

An unfair dismissal case is referred to the Industrial Court



Industrial Relations Act 1967

Definition:

Legislation governing employer-employee and
union relations

Example:

The Act provides for collective bargaining
procedures

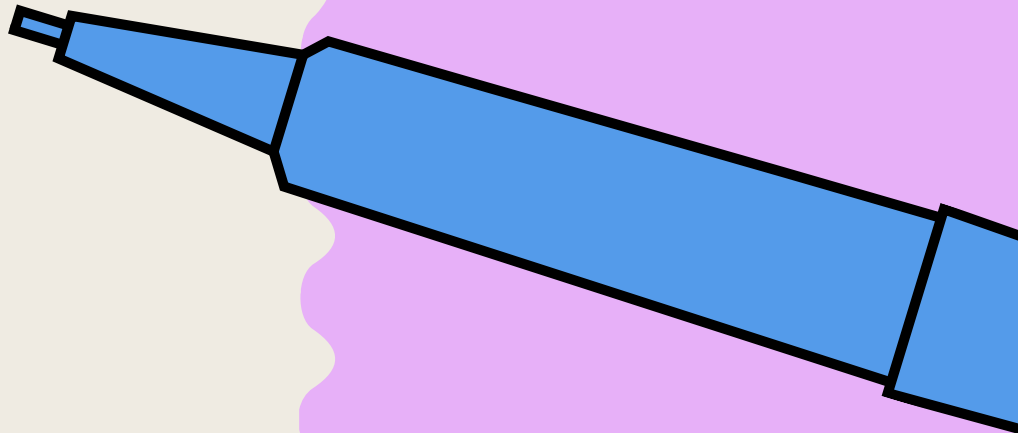
Insubordination

Definition:

Refusal to obey lawful and reasonable orders of an employer

Example:

An employee refuses a direct order from the supervisor



Job Description

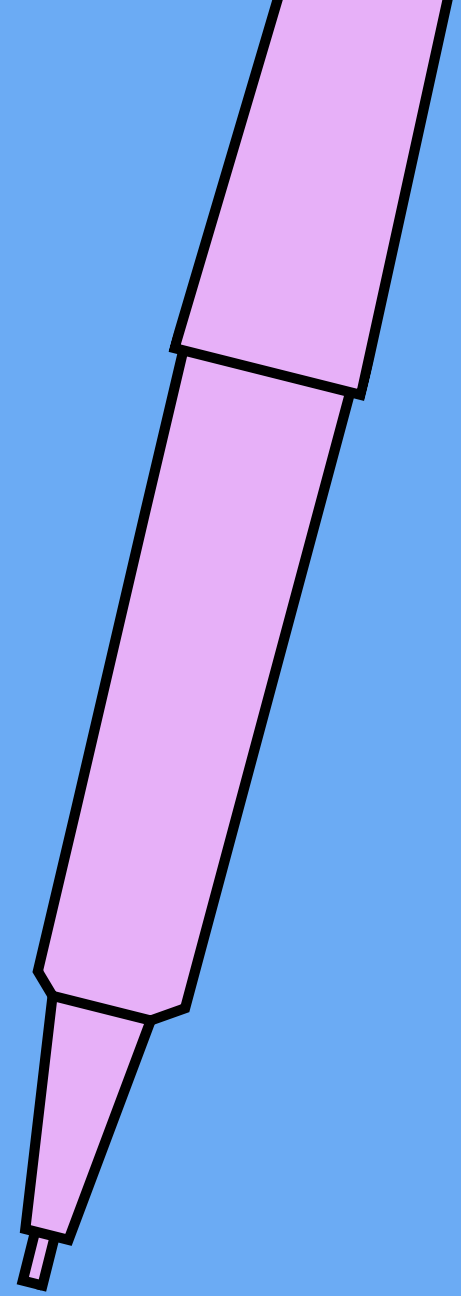
Definition:

A statement outlining duties and responsibilities of a job

Example:

The HR officer's job description includes recruitment and payroll tasks

Key Performance Indicators (KPIs)

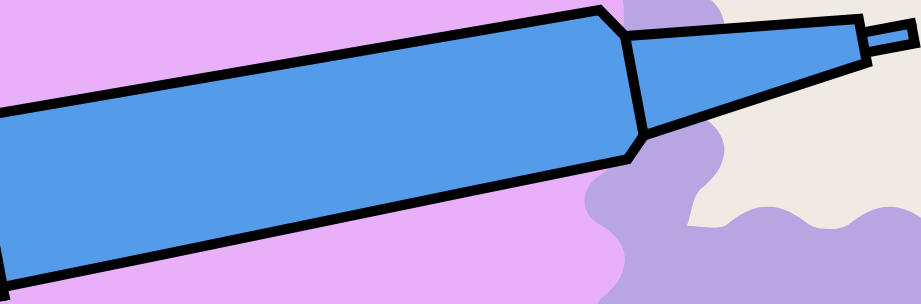
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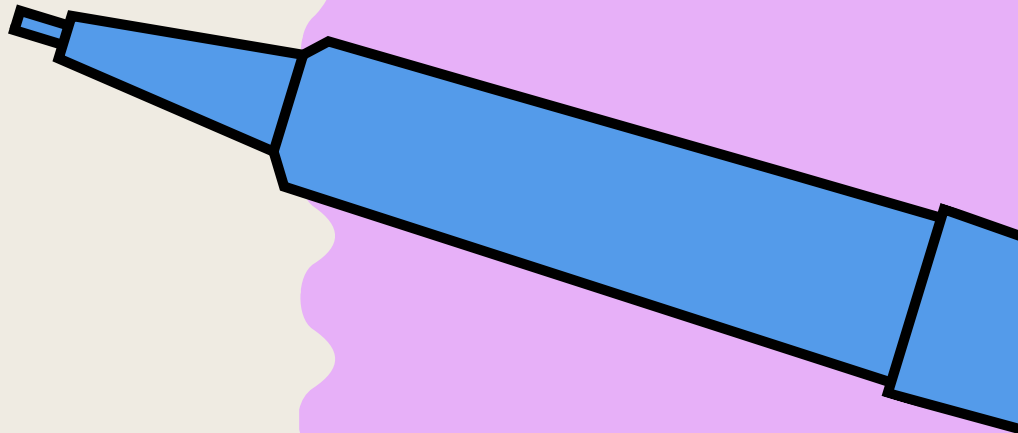
Definition:

Measurable targets set to evaluate employee performance

Example:

A sales executive's KPI is achieving RM100,000 monthly sales

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Layoff

Definition:

Temporary or permanent termination due to business downturn

Example:

A factory lays off 200 workers during a recession

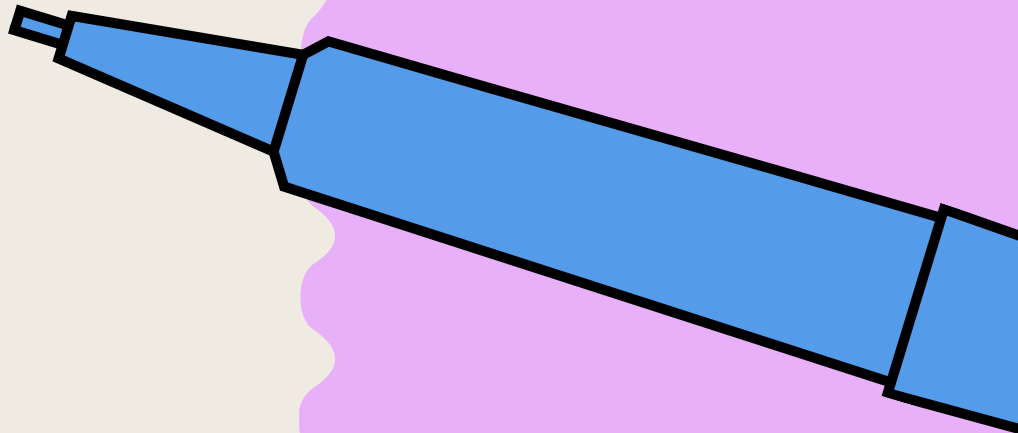
Leave Without Pay (Unpaid Leave)

Definition:

Leave granted without salary payment

Example:

An employee takes unpaid leave to study abroad



Lockout

Definition:

Employer action to prevent employees from working during disputes

Example:

A company locks out workers during a strike

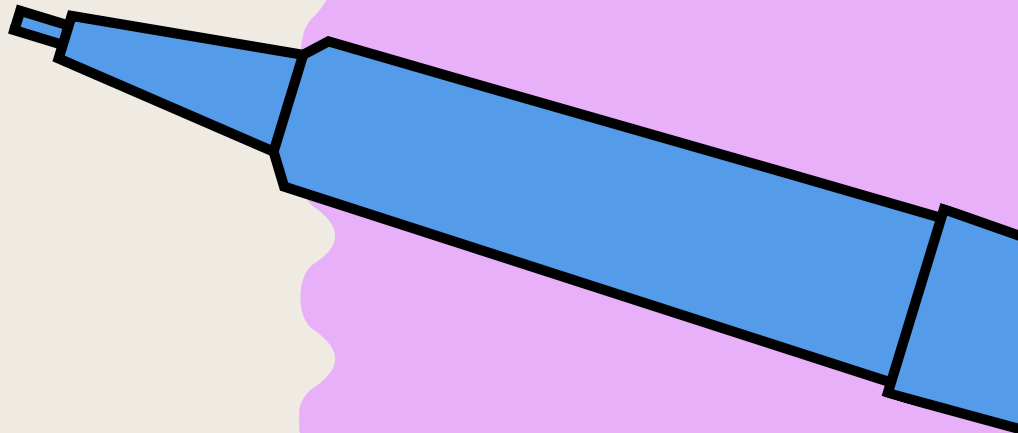
Maternity leave

Definition:

Paid leave granted to female employees for childbirth

Example:

A new mother is entitled to 98 days of maternity leave



Medical Leave (Sick Leave)

Definition:

Leave granted when certified unfit to work by
a doctor

Example:

An employee takes 3 days of medical leave
due to flu

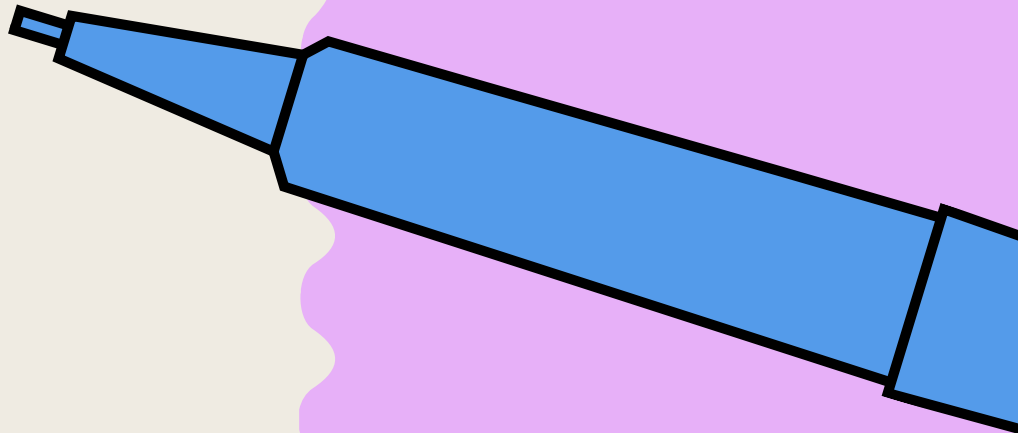
Minimum Wage

Definition:

The lowest wage employers must legally pay employees

Example:

As of August 1, 2025, Malaysia's national minimum wage has been set at RM 1,700 per month for all employers, regardless of company size



Misconduct

Definition:

Improper behavior violating company rules

Example:

Habitual lateness is considered misconduct

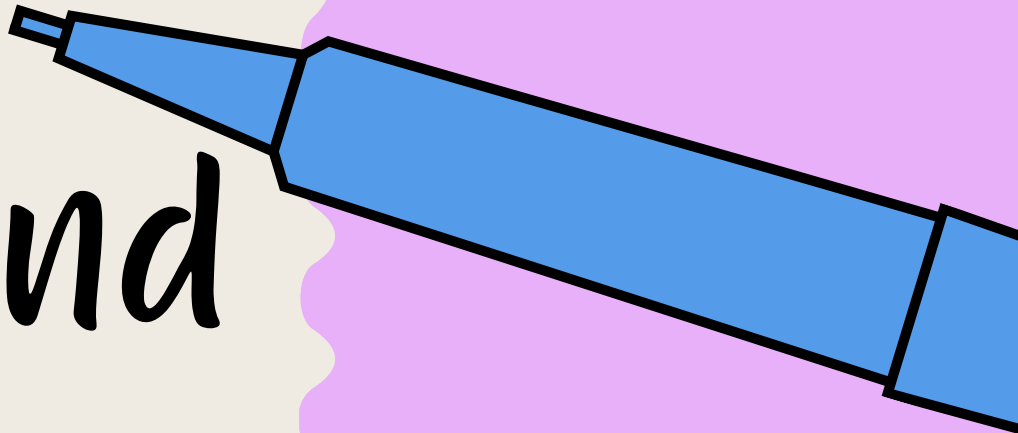
Notice Period

Definition:

Time an employee or employer must give before termination

Example:

A contract requires one month's notice before resignation



Occupational Safety and Health Act (OSHA) 1994

Definition:

Law ensuring safety, health, and welfare at workplace

Example:

Employers must provide protective equipment under OSHA

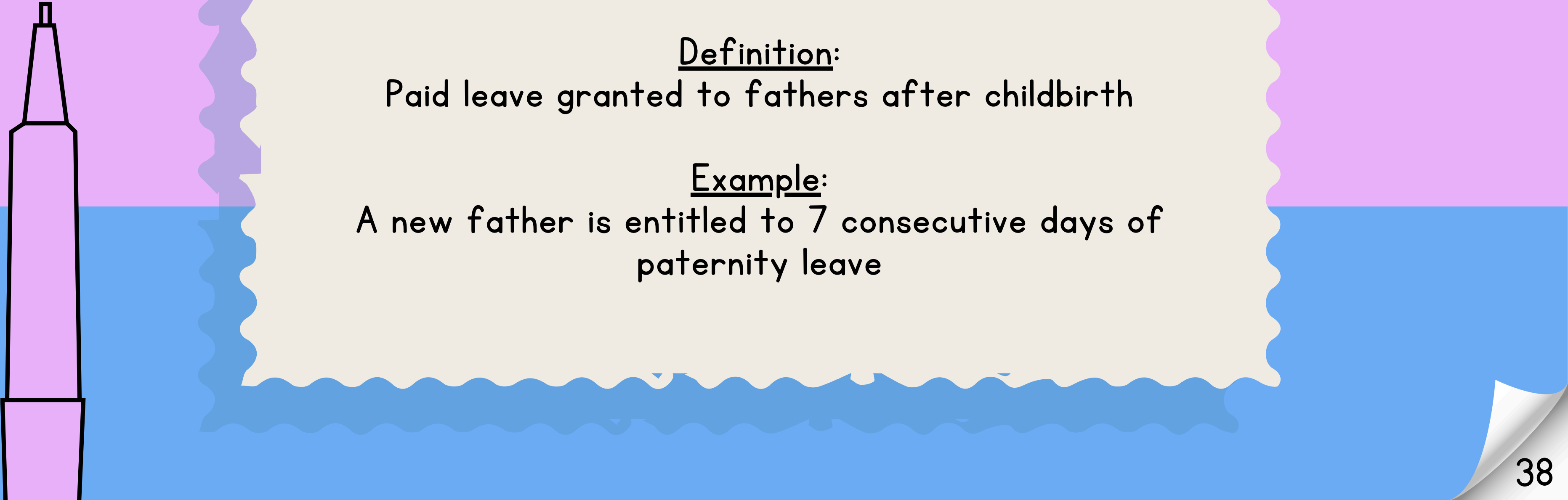
Overtime

Definition:

Extra hours worked beyond normal working time

Example:

Employees are paid 1.5 times their hourly rate for overtime



Paternity leave

Definition:

Paid leave granted to fathers after childbirth

Example:

A new father is entitled to 7 consecutive days of paternity leave

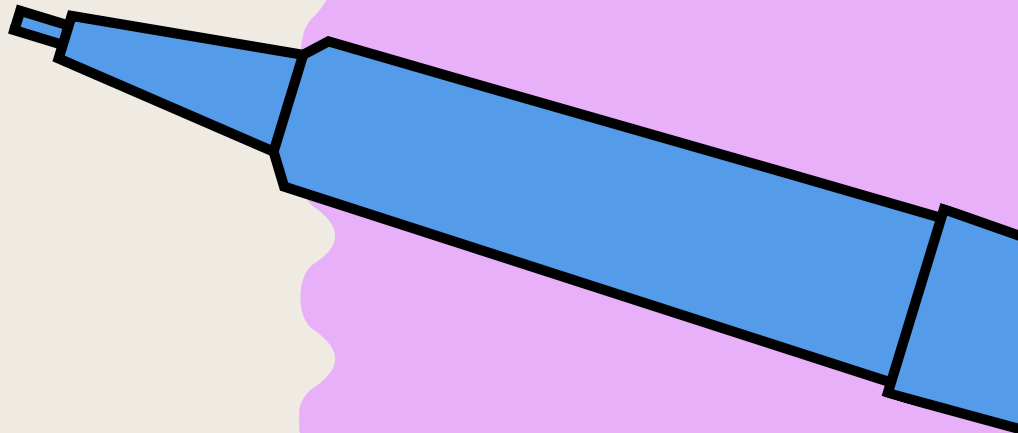
Payroll

Definition:

The total amount of wages paid by a company to its employees

Example:

The payroll department processes bi-weekly paychecks



Probation Period

Definition:

A trial period at the beginning of employment where the employee's suitability is assessed before confirmation as a permanent staff

Example:

Lina was hired as a sales executive with a 3-month probation period; her performance will determine whether she becomes a confirmed employee

Redundancy

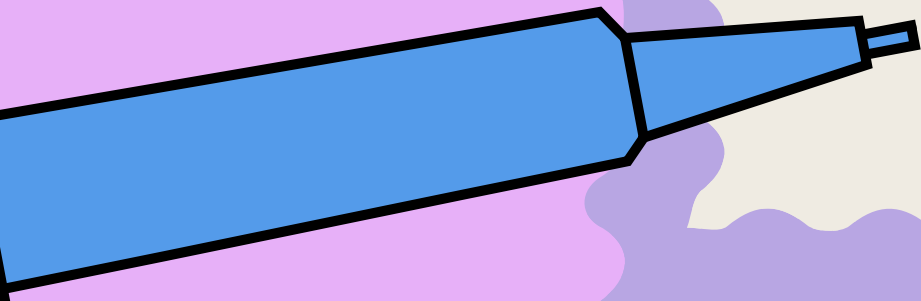
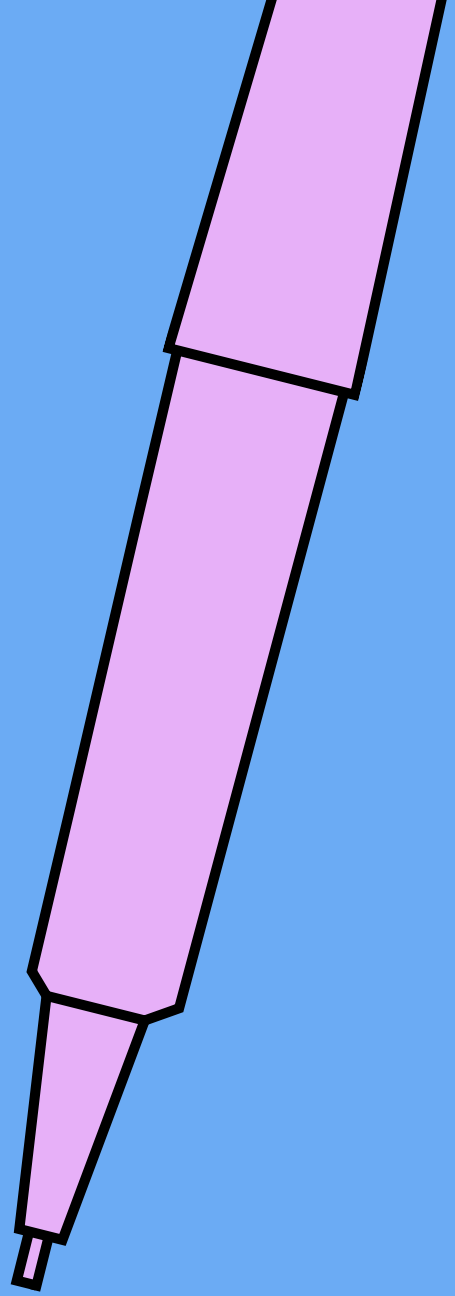


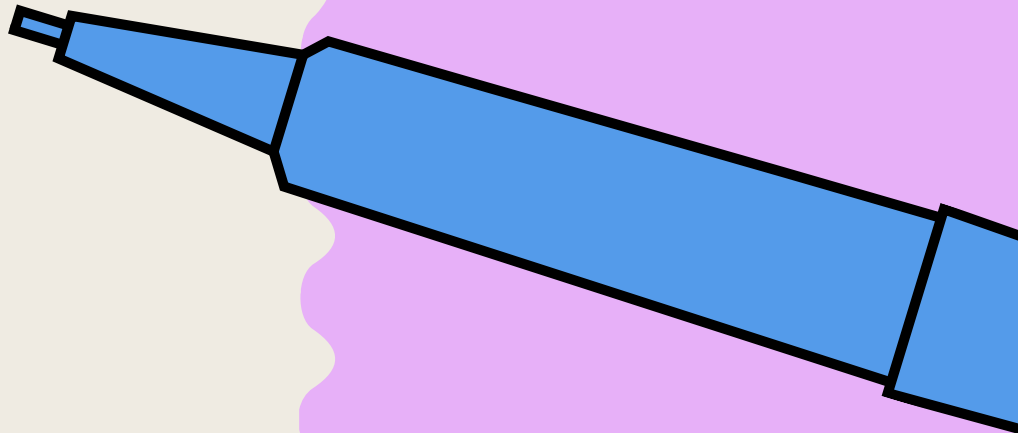
Definition:

Termination due to a job position becoming unnecessary

Example:

Automation made several clerical jobs redundant





Retaliation

Definition:

Punishment of an employee for engaging in legally protected activities

Example:

After she reported unsafe working conditions, her employer's decision to demote her was deemed to be retaliation

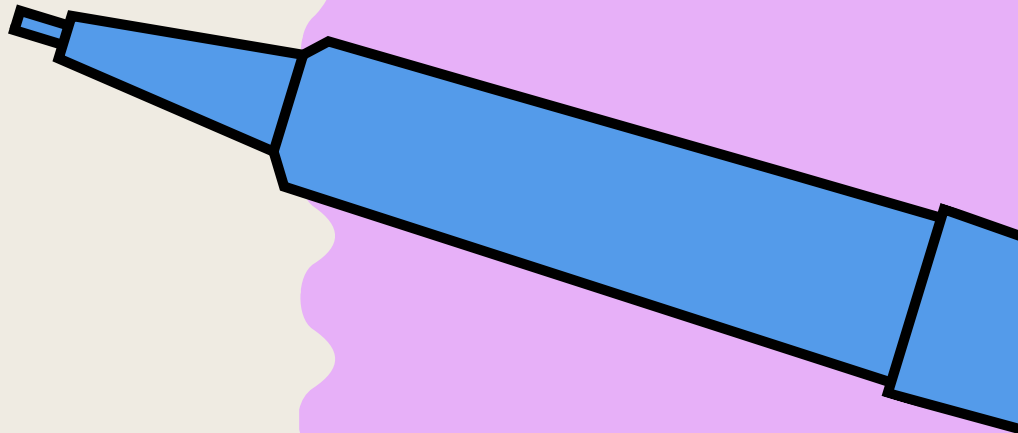
Retirement Age

Definition:

The minimum age for compulsory retirement under law

Example:

The Minimum Retirement Age Act sets retirement at 60 years



Severance Pay

Definition:

Compensation paid to employees upon
retrenchment

Example:

Retrenched employees receive severance based on
years of service

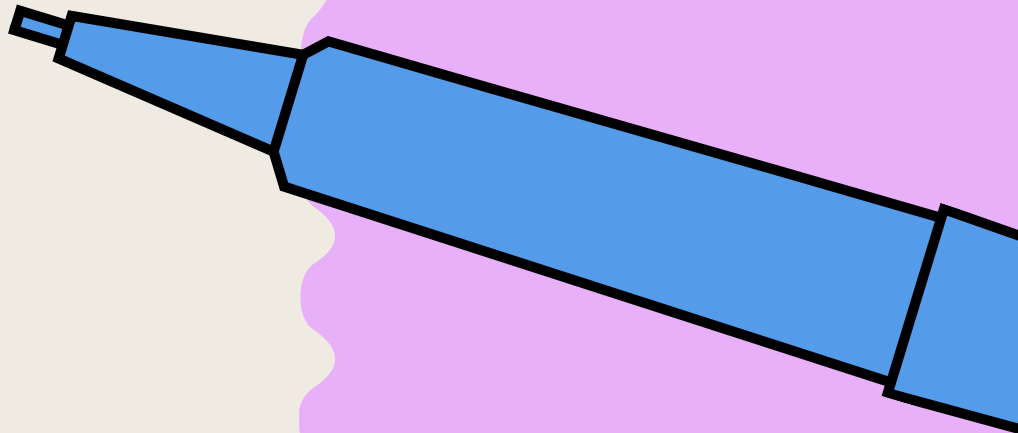
Sexual Harassment

Definition:

Unwanted conduct of a sexual nature

Example:

Inappropriate touching in the workplace is sexual harassment



Strike

Definition:

Employees' collective refusal to work to protest conditions

Example:

Workers went on strike demanding higher wages

Suspension

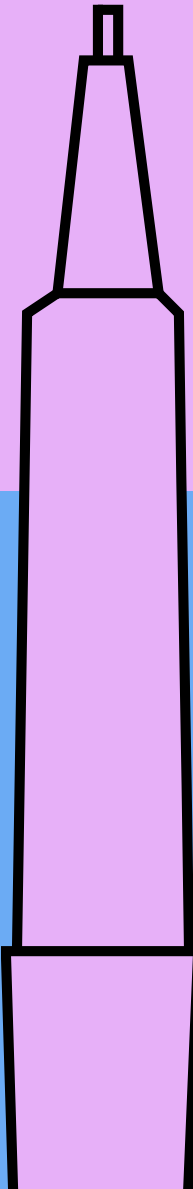
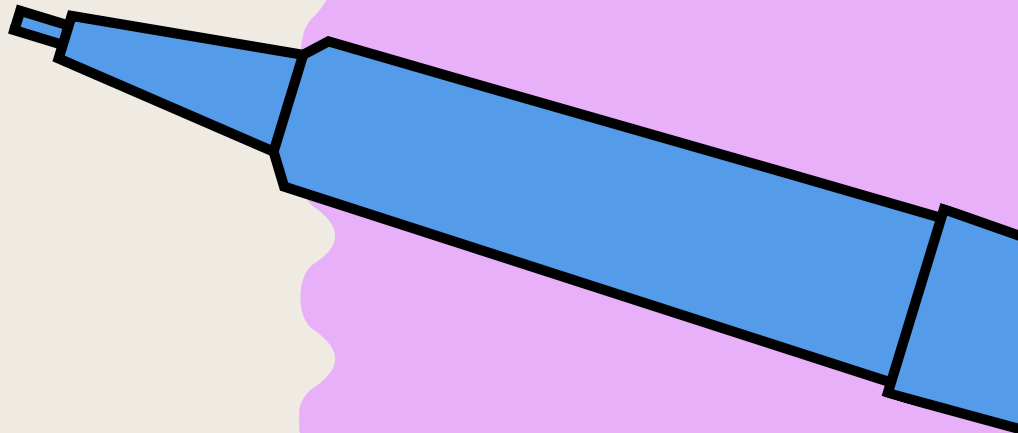
Definition:

Temporary removal from work pending inquiry or disciplinary action

Example:

An employee is suspended while misconduct is investigated

Termination



Definition:

End of an employment contract by employer or employee

Example:

A worker resigns voluntarily, ending their employment

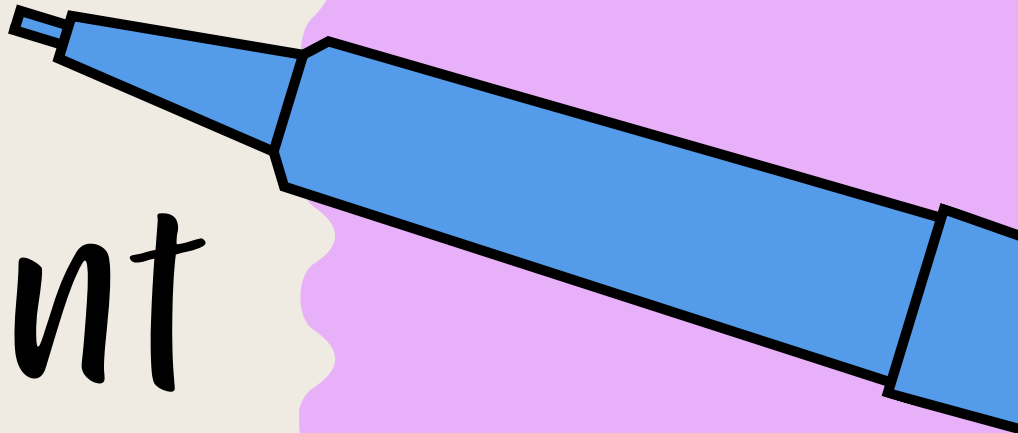
Trade Union

Definition:

Organization representing employees' rights and interests

Example:

The Malaysian Trades Union Congress (MTUC) is a national trade union body



Transfer of Employment

Definition:

Movement of employment rights from one employer to another

Example:

Employees are transferred when a company is sold

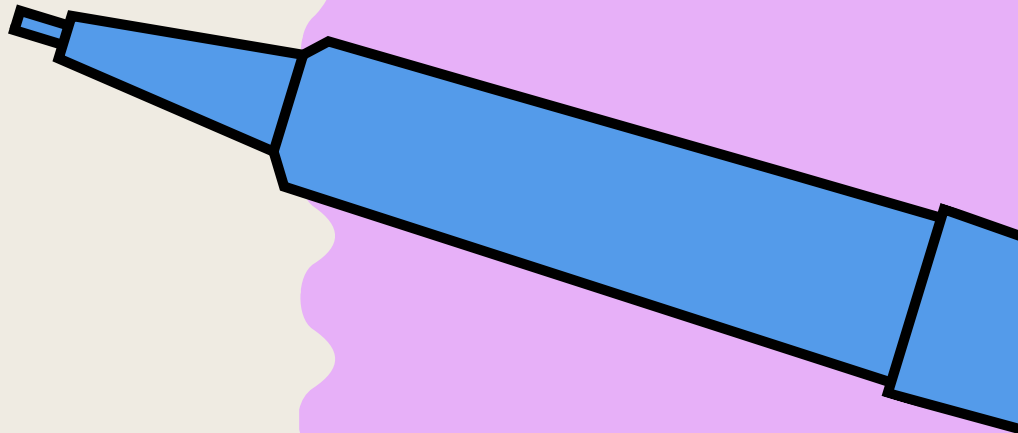
Unfair Dismissal

Definition:

Termination without just cause or excuse

Example:

Dismissing an employee for joining a union is unfair dismissal



Vesting Period

Definition:

The time an employee must serve before gaining rights to benefits

Example:

An employee becomes entitled to company shares after 3 years of service

Whistleblower Protection Act 2010

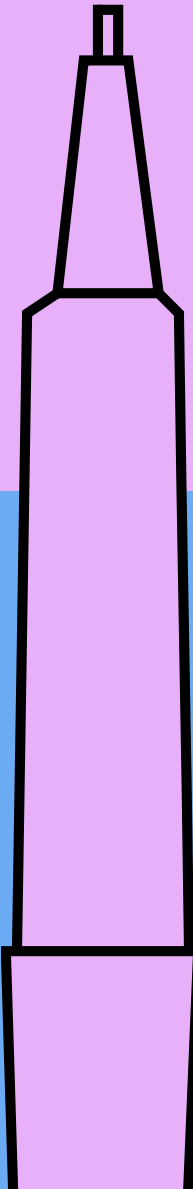
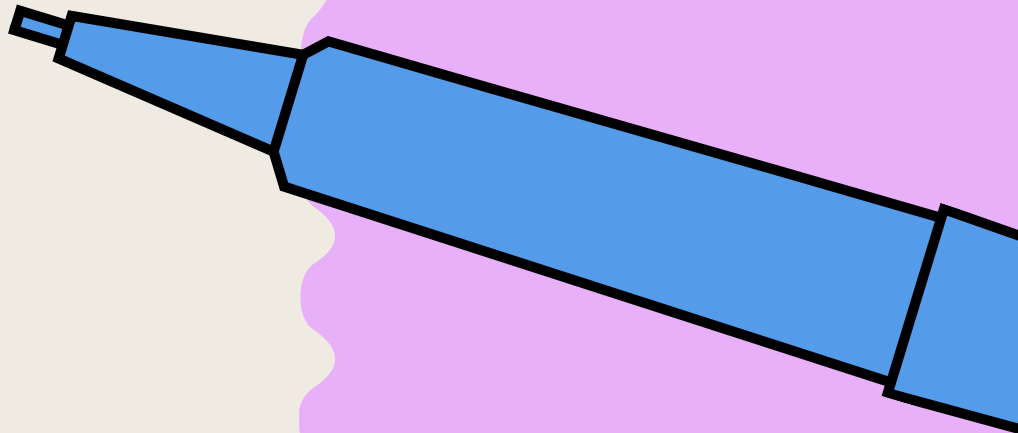
Definition:

Law protecting individuals who expose workplace misconduct

Example:

An employee reporting corruption is protected under the Act

References



Employment Act 1955 (Act 265)
Industrial Relations Act 1967 (Act 177)
Occupational Safety and Health Act 1994 (Act 514)
Minimum Wages Order (latest amendment, 2022)
Employees Provident Fund Act 1991 (Act 452)
Employees' Social Security Act 1969 (SOCSO Act 4)
Employment Insurance System Act 2017 (Act 800)
Minimum Retirement Age Act 2012 (Act 753)
Children and Young Persons (Employment) Act 1966 (Act 350)
Whistleblower Protection Act 2010 (Act 711)

Employment Law Made Simple

53 terms with definition & example

This book is designed as a practical glossary to help students, educators, HR professionals, and anyone interested in employment matters in Malaysia. It breaks down 53 key terms from Malaysian employment law into simple definitions and examples, making legal concepts accessible and easy to understand.

Key Features:

- ***Alphabetical Glossary:*** Each term is arranged from A-Z for quick reference.
- ***Clear Definitions:*** Every term is explained in simple, concise language.
- ***Practical Examples:*** Real-world illustrations show how each term is applied.
- ***Focus on Malaysia:*** All content is based on Malaysian legislation and practices (e.g., Employment Act 1955, Industrial Relations Act 1967, and related regulations).

