

Industrial Court Rules No Excuse For Breaches Of Trust At Senior Levels



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In a recent decision (Award No. 1692 of 2025), the Industrial Court dismissed the unfair-dismissal claim brought by Vikram Singh a/l Muniandy (the Claimant), who is the Head of Aviation Security at the Pos Malaysia International Hub (PMIH). The court upheld Pos Malaysia Berhad's (the Company) decision to terminate his employment. The Company was represented by the firm's Senior Associate, Muhamad Sharunizam bin Mohd Roni.

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A Case Rooted In Governance Failures

The dispute began with a whistleblower complaint alleging that the Claimant had unilaterally introduced a Temporary Security Pass, Weekly Pass and Pass Denda for vendor workers- none of which had any approved Standard Operating Procedure (SOP) or management sanction. An internal audit confirmed several troubling findings:

- (a) The Claimant admitted that no SOP existed and that he had never sought approval for the new pass system.
- (b) Cash collections from the passes were retained personally by the Claimant and never declared, deposited or reported.
- (c) Part of the funds was used at the Claimant's discretion, without authority or oversight.

In defence, the Claimant argued that he had been framed by subordinates and was the victim of workplace retaliation. The court, however, viewed these assertions as unproven and more importantly, irrelevant to the core misconduct. Even if retaliation had occurred, it could not excuse the Claimant's own actions.

What The Industrial Court Concluded?

The court's findings were unequivocal where it was held that the Claimant had knowingly implemented a chargeable pass system without any approved SOP or management approval. His own audit statements confirmed his awareness that the system lacked authorisation. His claim of duress during the audit interview was dismissed as an afterthought, never previously pleaded.

The court added that misappropriation occurred when he failed to declare, report or bank in the funds and personally utilised part of the collections. As Head of Aviation Security, the Claimant was required to uphold the highest standards of integrity, standards he demonstrably failed to meet.

On the balance of probabilities, all five allegations of misconduct were proven. The court held that the Company's decision to dismiss the Claimant was justified.

Why This Decision Matters?

The award underscores the Industrial Court's firm stance on compliance, governance and ethical conduct, especially for employees in positions of trust, such as those overseeing airport-level security and handling cash. It reinforces that employers not only may act decisively in the face of misconduct, but must act, when the breach strikes at the organisation's operational integrity.

For the Company, this ruling is a clear vindication. For employers generally, it is a reminder that good governance is not an aspiration but an operational necessity.

Five Lessons For Employers

1. *No New Practices Without Formal Approval*

Well-meaning "initiative" can easily mutate into abuse if unregulated. Employers should insist that any new system, process or operational change requires written approval from designated senior management and ensure monitoring systems exist to detect unauthorised practices early.

2. *Strengthen Internal Controls On Cash Handling*

Where cash is involved, ambiguity invites risk. Daily declarations, strict banking-in procedures, regular audits and consistent documentation are essential to preventing misuse.

3. *Protect Whistleblowers - But Investigate Impartially*

The court was clear: even if a complaint is motivated by retaliation, the merits of the allegation stand or fall on evidence. Employers must therefore assess complaints objectively and independently of personal motives.

4. *Document Everything*

In industrial relations disputes, documents speak louder than recollections. Clear audit trails, signed statements, emails demonstrating the absence of approval, and proper disciplinary documentation often determine the outcome of a case.

5. *Act Consistently And Without Delay*

Prompt investigations and timely disciplinary action signal that misconduct is taken seriously. Hesitation or selective enforcement can undermine an otherwise strong case.

Conclusion

The Industrial Court's ruling reinforces a fundamental principle: integrity, compliance and accountability sit at the heart of the employment relationship, particularly for those in roles of trust and operational significance. The decision bolsters employers' confidence that when misconduct is established through fair and transparent procedures, decisive action will be upheld.

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