

MEF Salary Surveys finding indicative of positive business recovery

PETALING JAYA: Malaysia looks to be gaining business traction with more employers granting salary increases to their employees this year compared to 2020, as revealed by the findings of the latest MEF Salary Surveys for Executives and Non-Executives 2021.

The 27th edition of the annual MEF Salary Surveys, which was launched by MEF President Dato' Dr Syed Hussain Syed Husman J.P. here today, indicated that 65.20 per cent of respondent companies granted salary increases either to all or certain executive employees in 2021 compared to 58.40 per cent in 2020, while 66.40 per cent granted salary increases to all or certain non-executives in 2021 as compared to 61.70 per cent in 2020.

“The average salary increase for executives in 2021 was 4.40 per cent. For the non-executives, the average salary increase in 2021 was at 4.43 per cent,” said Dato' Dr Syed Hussain.

“The Surveys forecasted that average salary increase for executives in 2022 is at 4.37 per cent.

“For the non-executives, the average forecasted salary increase for 2022 is at 4.17 per cent.”

Dato' Dr Syed Hussain said the surveys also indicated that more than 90 per cent of respondent companies adopted employee performance as the main criteria for determining quantum of executives and non-executives' salary increase, followed by the companies' capacity to pay.

“Approximately 60 per cent of the companies determined salary increase based on the profitability or productivity level, while more than half of the companies determined the quantum of salary increase based on market rate.”

In terms of bonus, the Surveys indicated that 68.30 per cent of the respondent companies granted bonus to executives and non-executives in 2021, and forecasted that bonus for 2022 was 1.82 and 1.66 months for executives and non-executives respectively.

“A positive indicator was that the forecasted bonus for 2022 was higher than the actual bonus in 2021 of 1.58 months and 1.44 months for executives and non-executives respectively,” he added.

“On the employment of fresh graduates, the MEF Salary Survey for Executives indicated that 58.20 per cent of respondent companies recruited fresh graduates as executives in the past twelve months.”

Dato’ Dr Syed Hussain said in terms of the type of jobs offered to newly-hired graduates, 80.90 per cent of respondent companies offered skilled jobs, compared to 51.80 per cent of companies that offered semi-skilled jobs. Five per cent of respondent companies placed newly-hired graduates in low-skilled jobs.

The MEF Salary Survey for Executives was participated by 212 companies from the manufacturing and non-manufacturing sectors, and covered 180 benchmarked positions of 23,448 executives, while 208 companies participated in the Survey for Non-Executives which covered 66,420 non-executives with 129 benchmarked positions.

Dato’ Dr Syed Hussain Syed Husman J.P. also launched The MEF Survey on Implementation of Work From Home and Work From Office Practices, In Response to COVID-19 Pandemic. The survey was conducted from 9 June 2021 to 6 August 2021 in which 203 member companies participated. He highlighted that before imposition of MCO, less than 1.0% of the employees at Management & Supervisory, Support, Operation levels were on Work From Home basis. However, “during imposition of MCO 1.0 with total lockdown from 18 March to 12 May 2020, 81.80 per cent of the Management and Supervisory staff of the respondent companies were on Work From Home basis, 90.20 per cent of the Support staff, and 64.30 per cent for Operation staff. During the imposition of total lockdown of MCO 1.0 and MCO 3.0, 67.80 per cent and 74.60 per cent of the respondent companies respectively implemented Hybrid Work arrangements.

The MEF Analysis Of Collective Agreements & Awards On Terms & Conditions Of Employment 2020, analysis was carried out on 185 collective agreements taken cognizance by the Industrial Court on terms and conditions of employment in 2020.

Dato' Dr Syed Hussain highlighted that in 2020, 104 Collective Agreements provided for across-the-board salary adjustment based on percentage increase at an average of 5.80 per cent. Based on 167 Collective Agreements that provided for bonus in 2020, 43.40 per cent provided for discretionary bonus only followed by 40.40 per cent provided for contractual bonus only and 16.30 per cent provided for both contractual and discretionary bonus. The average amount of contractual bonus granted was 1.40 months.

For further information, contact the MEF Secretariat at 03-7955-7778 or fax 03-7955-9008 or email mef-hq@mef.org.my.

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