

# Salary hike prospects 'bleak'

THE Malaysian Employers Fund (MEF) announced its findings of four latest publications for 2018. The publications focus on the forecast of salary increases and bonuses for 2019. The outlook was "bleak", according to the survey due to the global recession, increasing social costs and political uncertainties following GE14 which were among factors influencing the employers' cautious attitude.

A few incentives were placed into the labour structure of the companies surveyed including productivity linked wage system

(PLWS) and the Discrimination Reporting Procedure.

About 90% of companies and more indicated that the main reasons that they implemented PLWS was to reward good employees followed by aiming to improve productivity (which more than 80% responded) and to motivate average employees (more than 70%).

The findings also focused on the types of leaves provided where all participating companies provided annual leave and sick leave for top/senior managers, managers, executives and non-executives.

and non-executives.

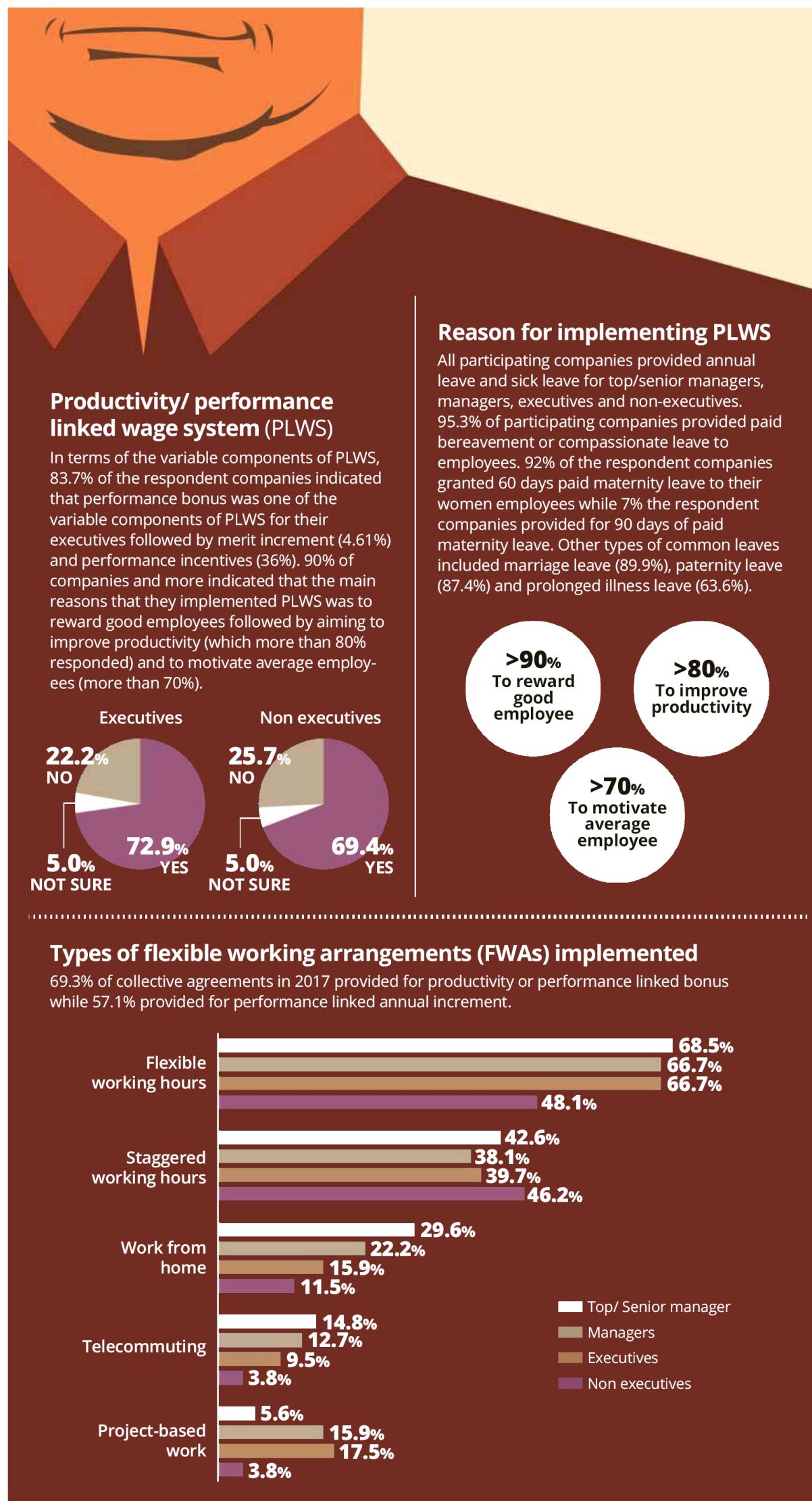
The average total hours of total working hours per week for top/senior managers and managers were considered where they worked 41 hours compared to the executives where the average total working hours per week was 42 hours. In the case of non-executives the average total working hours was 43 hours.

About 42.5% of respondent companies implemented flexible working hours at the workplace. With implementation of flexible work arrangements 82.4% of the respondent

companies indicated that there was increased employees' engagement, commitment and satisfaction, quality of work and quantity of output (62.7%) and the company's ability to retain talent (62.7%).

The survey for executives and non-executives were participated by 242 companies from manufacturing and non-manufacturing sectors.

The executive report covered 160 benchmark positions of 14330 executives while the non-executives report covered 324654 non executives with 109 benchmark positions.



## Average total working hours per week

The type of flexible work arrangements implemented at the workplace shows 68.5% of the respondent companies provided flexible working hours to top/senior managers, followed by staggered working hours (42.6%) and work from home (29.6%). 66.7% of the respondent companies allowed managers to opt for flexible working hours, staggered working hours (38.1%) and work from home (22.2%). 66.7% of the respondent companies allowed flexible working hours to executives, followed by staggered working hours (39.7%) and project-based work (17.5%). Non-executives were commonly provided with flexible working hours (48.1%), staggered working hours (46.2%) and part-time work (15.4%).

**41 hours**  
TOP/ SENIOR  
MANAGERS

**41 hours**  
MANAGERS

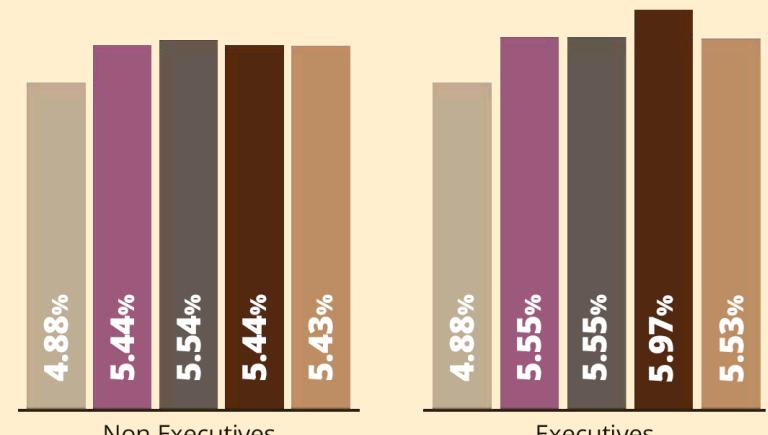
**42 hours**  
EXECUTIVES

**43 hours**  
NON EXECUTIVES

## Average salary increase (2008-2017)

The overall average forecasted salary increase for executives for 2019 is 4.86% which is slightly lower than the actual average salary increase of 4.88% in 2018. For non-executives, the average forecasted salary increase for 2019 is 4.89% as compared to the actual average salary increase of 4.88% in 2018.

■ 2018 ■ 2017 ■ 2016 ■ 2015 ■ 2014



## Forecast of salary increase 2019

The average forecasted bonus for executives for 2019 is 2.06 months which is slightly lower than the 2.18 months of actual bonus in 2018. The average forecasted bonus for non-executives is 1.97 months for 2019 which is slightly higher than 1.95 months of actual bonus in 2018.

## Forecast of bonus 2019

7.29% of the respondent companies have implemented productivity/performance linked wage system (PLWS) for their executives and 69.4% for their non-executives. Approximately 80% of respondent companies adopted annual salary increment as one of the fixed components of PLWS for their employers as well as non-executives followed by basic salary (executives: 71.2%, non-executives: 72.7%) and contractual bonus (executives: 40%, non-executives: 35.8%). From the companies surveyed, 72.9% of executives reported positive to these performance incentives, 22.2% said no, and 4.9% indicated no change. On the non-executives perspective, 69.4% said yes, 25.7% said no and 5% said there was no impact.