

Lower increments for executives forecast for 2020 -- MEF survey

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This story has been updated with a recast headline, intro

KUALA LUMPUR (Nov 27): The Malaysian Employers Federation (MEF) said executives will likely see lower salary increases in 2020, while non-executives are expected to see higher pay increments on average, based on the 2019 MEF Salary Surveys for Executives and Non-Executives. At the launch of the survey reports today MEF president Tan Sri Azman

Shah Haron said the overall average forecasted salary increase for executives in 2020 is lower year-on-year at 5%, versus 5.15% in 2019, while non-executives are expected to see a higher average increment of 5.01%, compared with 4.96% previously.

The surveys included 252 companies from manufacturing and non-manufacturing sectors, covering 151 benchmarked positions of 18,782 executives and 109 benchmarked positions of 48,098 non-executives. In terms of bonus payments, an average forecasted bonus for executives stands at 1.9 months for 2020, similar to that for 2019, while the average bonus for non-executives is slightly higher at 1.79 months versus 1.67 months in 2019.

In 2019, 88.3% of respondents had granted salary increases to executives in 2019, lower than 92.4% of employers in 2018. For non-executives, 87.6% of employers said they were granting increments compared to 92.7% in 2018. "The lower percentage of employers granting increments might indicate that businesses may not be doing well," said Azman Shah.

However, the average salary increases for executives and non-executives in 2019 were higher at 5.15% and 4.96% respectively compared to 4.88% for both in 2018.

Meanwhile, 78% of employers granted bonus to executives in 2019, similar to the percentage in 2018. For non-executives, the figure is slightly lower at 76.8% of employers, compared with 78.7% in 2018.

Besides the two salary surveys, the MEF also launched two other publications today, namely the MEF Man-Days Lost and Absenteeism Survey 2019 and the MEF Analysis of Collective Agreements and Awards on Terms and Conditions of Employment 2018.

The absenteeism survey found that a total of 10.7 million days were lost due to sick leave from June 1, 2018, to May 31, 2019, translating into an estimated cost of RM20.71 billion.

The survey also found a higher frequency of absenteeism before and after public holidays and festivals, with 82.9% of employers reporting this. Meanwhile, 79% of employers said their employees are likely to be absent before and after their rest days, while 42.9% said employees tend to skip work after submitting their letters of resignation.