

Mixed reaction to fresh grads wanting RM3,000 starting pay

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| August 26, 2017

Malaysian Trades Union Congress says pay expectation is understandable but Malaysian Employers' Federation says it is unrealistic.



PETALING JAYA: Citing the high cost of living expenses including rent, petrol and food, some fresh graduates interviewed by FMT said that a starting salary of RM3,000 was the only way they could satisfactorily make ends meet.

In recent times, the rising cost of living has put the spotlight on wages, with analysts pointing out that the salaries of employees have not been keeping up with the times.

At the bottom of the food chain were fresh graduates, who said that existing salaries were simply inadequate.

Medical graduate Taufik Mohamad said a salary of RM2,500 was sufficient to cover his expenses of living in the city.

“If I want to save money for my future, I need to earn RM3,000 and above,” he said.

Taufik’s concerns about having enough money for savings was understandable, considering that the Employees’ Provident Fund (EPF) had previously voiced concern that only 22% of the 6.7 million active contributors aged 54 had sufficient savings of RM196,800 or more to sustain themselves during retirement.

Yap Jia Ming, who works in the media industry, said she had to settle for a job that paid only RM2,500 and that making ends meet was a constant struggle.

“After calculating all the expenses that I need to settle, I am left with around RM1,300 a month. Ideally, I want a salary of RM3,000,” she said.

Similarly, journalism student Maya Medina said she needed RM3,000 as a basic salary to cover her expenses of RM1,000 for fuel, toll, parking, phone expenses and food.

RM3,000 a reasonable figure

The Malaysian Trades Union Congress (MTUC) said a starting salary of RM3,000 was understandable considering the current cost of living, including the need for students to repay study loans.

MTUC secretary-general J Solomon told FMT that employers, instead of worrying too much about their profits, should ensure that fresh graduates were paid a decent salary.

However, he said fresh graduates should not choose to remain unemployed simply because they were holding out for the ideal job that would pay them what they wanted.

“A certificate alone does not make a graduate a desired worker, but his experience as a worker in adapting to the working world is an added weightage for the employer to consider,” he said.

RM3,000 is too much

However, Malaysian Employers’ Federation (MEF) executive director Shamsuddin Bardan weighed in with a counter point on the issue.

“With the current economic situation in the country, which has seen many businesses struggling with higher operating and regulatory costs, a salary of RM3,000 for a fresh graduate was simply unrealistic,” he said.

Shamsuddin added that the figure was more suitable for a graduate with a master’s degree as fresh graduates were usually paid RM2,000 to RM2,200, even if they graduated with first class honours.

“If fresh graduates insist on RM3,000 as a starting salary, they are likely to stay unemployed.”

As it stands, youths have been among the hardest hit by sluggish hiring trends in recent times, with the youth unemployment rate in Malaysia reaching 10.7% in 2015.

This is more than three times the national unemployment rate of 3.1%, according to statistics published in the 2016 Bank Negara Malaysia annual report.

Shamsuddin said it was crucial that fresh graduates land their first job as soon as possible and only consider moving on to other jobs with a better salary, much later.

“The longer fresh graduates remain unemployed, the more difficult it will be for them to find a job, especially since they are competing with other graduates.”