

Don't get your hopes up on pay rise, say bosses

'Ainin Wan Salleh

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A survey by a recruitment firm shows that 80% of professionals in Malaysia are expecting a salary increase in 2022, but employers are not sure if they can afford it.

PETALING JAYA: Employees may not get the salary increments they expect this year, according to employer and business groups.

Malaysian Employers Federation (MEF) president Syed Hussain Syed Husman said it is too early to state if employers will be able to match their employee's expectations for a salary increase as they are still in recovery mode.

“Employees need to take into account that most businesses are still trying to recover from the severe setbacks suffered due to the Covid-19 pandemic in 2020 and 2021 and the major floods late last year,” he told FMT.

He expected salary increases, if any, for 2022 to be lower compared to 2021.

“A study by MEF found that in 2021, the average salary increase for executives and non-executives were 4.4% and 4.43%, respectively,” he said. “However, the forecasted average salary increase in 2022 was lower, at 4.37% for executives and 4.17% for non-executives.”

This comes after a study by recruitment firm Hays Malaysia revealed that more than 80% of professionals in Malaysia are looking at a salary increase in 2022, with 19% expecting a raise of 6% to 9%, and 24% hoping for 10% or more.

The Malaysian International Chamber of Commerce & Industry (MICCI) said there are two reasons for a mismatch between what employees want and what employers can give.

“Firstly, the cost of living has rocketed due to the pandemic,” MICCI executive director Shaun Cheah told FMT. “Secondly, there is a serious lack of professional talents as there is a dearth of STEM (Science, Technology, Engineering and Mathematics) graduates in the employability pipeline.”

He said that since there is more demand than supply for these professional talents, they are able to ask for higher remuneration, although employers may not be in the financial position to match their price.

Cheah also hoped the human resources ministry will have more relaxed policies to help companies recover steadily,

Economist Geoffrey Williams said although the country’s transition

to an endemic phase will see more restrictions in the workplace being lifted, smart employers will recognise that the ways of working and employee expectations differ now.

Williams, of the Malaysia University of Science and Technology, said employers should embrace the gig economy as it benefits them, too.

“A move to salary and pay based on delivery rather than time at the desk is a key strategy to improve productivity and allow for more gig economy appointments,” he told FMT. “This way, professionals can work for multiple companies to improve their pay profiles.”

He also urged employers to consider making “work from home” (WFH) a continued practice, adding that it is hugely successful for many professionals.

“It provides employees with flexibility, better work-life balance and can improve productivity. For employers, it also cuts office costs which can be passed on in salary or benefits,” he said.