



More companies bumping up their employees' salary

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A recently concluded survey by the Malaysian Employers Federation shows that work performance is the biggest criteria in determining whether or not an employee gets a raise.

PETALING JAYA: Most companies seem to have bounced back quick from the economic troubles caused by the Covid-19 pandemic going by the salary increases that employees have received this year.

According to a survey by the Malaysian Employers Federation (MEF), 93% of bosses raised the salaries of their executive and non-executive staff this year.

This was a significant increase from the 65.2% of companies that gave salary increments to executives and 66.4% that gave to non-executives last year, said MEF president Syed Hussain Syed Husman.

"The survey also revealed that the average salary increase for executives was 5.26% while that for non-executives was 5.35%," Syed Hussain said when launching the 28th edition of the MEF Salary Surveys for Executives and Non-Executives today.

The survey also indicated that executives can expect another raise of 5.44% next year, while the non-executives will receive a 5.43% rise in their incomes.

Syed Hussain said that about 90% of the companies surveyed said the employees' work performance was the main factor that determined whether or not they received salary increases.

Apart from bumping up their employees' salaries, more than 80% of the companies surveyed also paid out bonuses this year.

The average amounts in bonuses paid to executives and non-executives were equivalent to 2.06 months and 1.77 months of their salaries respectively.

Next year, executives can expect another bonus equivalent to 2.08 months of their salaries, while the non-executives are likely to get the equivalent of 1.77 months of their salaries in bonuses.

Syed Hussain said 70.3% of the companies covered in the survey were required to raise minimum wages to RM1,500 per month under the Minimum Wages Order 2022 compared with 29.7% which were not affected by the implementation of the order.

A total of 53.4% of the companies surveyed anticipate a higher wage bill as a result of the implementation of the order.

The survey also showed that among the measures taken to improve their financial status, 59.7% of the companies that responded said they reduced their operating costs while 48.8% of them raised prices of their products and services.

A total of 43.8% of the companies also indicated their intention to implement cost-cutting measures in other areas of production while 36.8% of them will do it by replacing labour with technology.

A total of 252 companies in the manufacturing and non-manufacturing sectors participated in the MEF salary survey for executives while another 252 companies responded to the survey for non-executives.

The MEF also launched its Fringe Benefits Survey 2022 and the Analysis of Collective Agreements and Awards on Terms and Conditions of Employment 2021.