

HOME / [MONEY](#)

MEF: Lower increments, bonuses trend to continue in 2021

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The survey revealed that about 36 per cent of the respondent companies have yet to decide on their 2021 recruitment policy as the outlook for the pandemic is still uncertain.. — Picture by Yusof Mat Isa

KUALA LUMPUR, Dec 14 —The Malaysian Employers Federation (MEF) said executives and non-executives will likely see the trend of reduced increments and bonuses to continue in 2021, based on the latest MEF Salary Surveys for Executives and Non-Executives.

MEF president Datuk Syed Hussain Syed Husman said only 58.4 per cent of surveyed companies granted a salary increase to their executive staff this year, compared with 88.3 per cent in 2019, while only 61.7 per cent of companies granted a salary increase for non-executives (87.6 per cent in 2019).

The average salary increase forecast for executives and non-executives was also lower in 2020 compared to 2019, at 4.82 per cent (5.15 per cent in 2019) and 4.79 per cent (4.96 per cent in 2019), respectively.

“The results were expected due to the adverse impact of the Covid-19 pandemic.

“This trend is expected to persist into next year as the forecast average salary increase for executives and non-executives in 2021 was lower at 4.59 per cent and 4.57 per cent, respectively,” he said in a statement today.

The 26th edition of the MEF salary survey covered 179 benchmarked positions of 20,733 executives, while the non-executives survey covered 64,625 non-executives with 138 benchmarked positions.

Syed Hussain said the forecast bonus for executives and non-executives in 2021 also dropped to 1.75 and 1.57 months, respectively, compared to 1.94 and 1.65 months of bonus granted in 2020.

He said during the Movement Control Order (MCO), respondent companies operated at 60 to 70 per cent of the workforce capacity, which rose to 80 per cent for all levels of executives during the Conditional MCO (CMCO).

The workforce capacity utilisation for non-executives—ranging from general labourer/unskilled employees to supervisors—was at approximately 56 per cent during the MCO, then rose to 77 per cent during the CMCO.

“More than half of the respondent companies froze hiring of executives and non-executives in 2020 to cope with the impact of the pandemic, while approximately 38 per cent of the companies maintained their recruitment practices,” Syed Hussain said.

The survey revealed that about 36 per cent of the respondent companies have yet to decide on their 2021 recruitment policy as the outlook for the pandemic is still uncertain.

Additionally, about 31.8 per cent of the companies said they will maintain their new hiring policy, while approximately 20 per cent of the companies will adopt a hiring freeze policy in 2021. — Bernama