

Malaysian Employers Federation: Executives, non-executives salaries expected to increase by 5.4pc in 2023



Salaries for executives and non-executives in Malaysia are expected to increase by 5.44 per cent and 5.43 per cent, respectively, in 2023. — Reuters pic

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PETALING JAYA, Nov 23 — Salaries for executives and non-executives in Malaysia are expected to increase by 5.44 per cent and 5.43 per cent, respectively, in 2023, according to a survey by the Malaysian Employers Federation.

President Syed Hussain Husman said approximately 90 per cent of companies surveyed attributed employees' performance as the main criteria for determining executive and non-executive salary increases.

“The business respondents seemed to be positive that Malaysia’s economy is generally going to be stable next year despite the expectation of a global recession.

“This was on the back of positive recovery of most businesses since the reopening of the economy after the (Covid-19) pandemic,” he told reporters after officiating the 28th edition of the MEF Salary Surveys for Executives and Non-Executives here today.

He said the survey also indicated that 93 per cent of employers granted salary increases to executive and non-executive employees in 2022, which was a significant increase from 65.2 per cent and 66.4 per cent, respectively, in 2021.

Syed Hussain said the survey showed that the average salary increase for executives and non-executives in 2022 was 5.26 per cent and 5.35 per cent, respectively, with more than 80 per cent of the responding companies granting bonuses.

“The forecast for bonuses in 2023 is 2.18 and 2.06 monthly salary for executives and non-executives, respectively, which was higher than the actual bonus in 2022 of 2.06 months and 1.77 months, respectively,” he said.

The MEF president said the survey also covered the implementation of the Minimum Wages Order 2022, which increased the minimum wage to RM1,500 per month and impacted 70.3 per cent of the companies surveyed.

He said those companies not affected by the new minimum wage cited that the main reason was that their employees’ salaries had already surpassed the minimum level.

Syed Hussain said 53.4 per cent of the respondent companies also anticipated an increase in their overall salary or wage costs following the implementation of the new minimum wage.

He said 59.7 per cent of the respondent companies planned to reduce their operating expenses to mitigate the impact of the new minimum wage while another 48.8 per cent cited an increase in the price of their products or services as their adopted measure.

“Another 43.8 per cent of respondent companies intend to implement cost-cutting measures in other areas of production while 36.8 per cent intend to shift from labour-intensive to technology-intensive production,” he added.

Commenting on the current shortage of employees in the country, executive director Datuk Shamsuddin Bardan said the situation needed to be addressed quickly as Malaysia is now competing with other countries to get foreign workers.

“Employers cannot totally depend on the government to resolve this problem. They must also step up efforts to modernise their operations by adopting new technologies to attract local workers,” he added.

The MEF Salary Survey for Executives saw 252 companies responding from the manufacturing and non-manufacturing sectors while 250 member companies participated in the Salary Survey for Non-Executives.

Apart from the salary surveys, the MEF also launched the MEF Fringe Benefits Survey 2022 and the Analysis of Collective Agreements and Awards on Terms and Conditions of Employment 2021. — Bernama