

Hopes rise for pay, benefits to go up

WHAT TO EXPECT

5.1pc

Projected increase in salaries of executives next year

1.83 months

Projected bonus of executives next year

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PETALING JAYA: The Malaysian Trades Union Congress (MTUC) feels that some increase in wages and benefits for workers could be expected next year.

MTUC general-secretary G. Rajasekaran said positive signs could be adduced from the positive turnaround of the economy, which in turn was linked to the better performance of companies.

"By the looks of it, there could be some increase in 2010," he told the *New Straits Times* yesterday, and added that those who stood to benefit most would be employees in the lower rung.

However, the MTUC, like the Malaysian Employers Federation (MEF), believes the private sector will remain cautious when it comes to increasing wages and benefits.

These have remained stagnant for the most part of this year as companies had to tighten their belts to face the uncertain economic downturn.

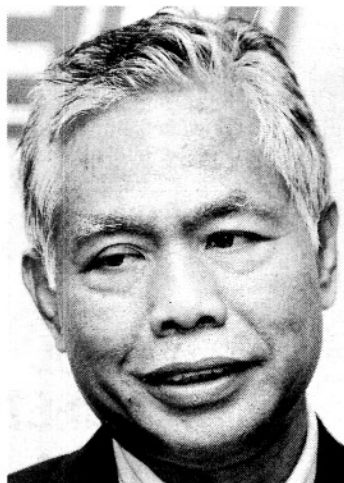
Rajasekaran felt this situation was tapering off following the good economic indicators in the last quarter.

MEF executive-secretary Shamsuddin Bardan said employers would continue to remain cautious when it came to salaries and benefits.

Next year would be quite challenging as many private sector companies would still be wary of the economic recovery, he added.

He also said that their willingness to pay bonuses and to increase their workers' salaries would depend on their performance this year.

Shamsuddin said a recent MEF survey conducted among its members showed that the overall average salary increase forecast



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for executives next year would be lower than this year.

It is expected to be at 5.1 per cent compared with the actual salary increase of 5.36 per cent this year.

For non-executives, the survey showed it was expected to be at 5.14 per cent compared with 5.22 per cent this year.

Meanwhile, the average bonus for executives forecast for next year was 1.83 months compared with 2.18 months this year.

For non-executives, the average bonus for this year is 1.91 months and the forecast for next year is 1.73 months.

The survey also showed 76.20 per cent of the respondent companies granted bonuses to their executives this year compared with 90.40 per cent last year.

It found that about 80 per cent of the respondent companies gave bonuses to their non-executive staff this year while 88.90 per cent did so last year.

A total of 215 member companies, involving 109 benchmark positions covering 13,046 executives, took part in the survey for executives.

Samsuddin said with the nation's unemployment rate at less than four per cent, this bodes well for the employment sector compared with other countries.

The other positive aspect was that the country's economic position in the coming years would be promising, he added.