

MEF opposes wage transparency, citing risk of limiting entitled remuneration



By [Mohamed Basyir](#) - August 27, 2023 @ 2:26pm



Wage transparency will only restrict the remuneration that potential candidates applying for new jobs. -NSTP FILE

KUALA LUMPUR: Wage transparency will only restrict the remuneration that potential candidates applying for new jobs are entitled to receive, said the Malaysian Employers Federation (MEF).

Its president Datuk Dr Syed Hussain Syed Husman argues that omitting pay scales from job advertisements allows candidates to justify their salary expectations based on their experience and skill sets.

He said that some of the candidates may well be paid above the market value provided that they are "equipped" with the right knowledge and competency to take up the position.

"At the end of interviews, salary expectations are typically inquired about. Including a specific number in the job ad might discourage qualified candidates who could otherwise merit higher pay.

"This is why employers prefer to keep it open. Discuss, negotiate and justify," he said when contacted today.

He further shared that wage transparency, previously tested by multinational companies (MNCs), had failed due to the unnecessary stress it placed on employees.

Comparisons of compensation packages, especially among colleagues in the same position, led to dissatisfaction, he said.

He also questioned the readiness of the Malaysians to adopt wage transparency.

"Are Malaysians comfortable with the people around them, their neighbours, and others knowing their salaries?"

"Is our society prepared for this level of openness?", he asked.

Syed Hussain said despite keeping wage details private, companies, including MEF, conduct annual market research through third-party consultants to gauge employee and potential worker remuneration expectations.

This practice, he said, ensures alignment with salary trends and demands.

"Some companies are willing to pay more than what is offered in the market. This is so that no other employers would be able to match the salary and thus, they can retain workers for extended periods," he added.

Recently, Muar member of parliament Syed Saddiq Syed Abd Rahman through the social media platform proposed for Wage Transparency Act.

The Act aims to empower graduates and workers to make informed decisions about salary offers.

Syed Saddiq highlighted that candidates often accept low wages due to a lack of market information, putting them at a disadvantage during negotiations with future employers.

The government is proceeding with an [incentive-based and productivity-linked](#) progressive wage policy.