

## 20 per cent salary adjustment is high, MEF president says



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SHAH ALAM – A report which states the country expects its employees to get salary adjustments up to 20 per cent depending on industry is considered to be too high, Malaysian Employers Foundation (MEF) says.

Its president Datuk Dr Syed Hussain Syed Husman said several employers in Malaysia could not afford the rise in costs, especially when this year marked challenging times globally.

"Malaysia's Gross Domestic Product (GDP) growth is expected to be slower for 2023 at a rate of three to four per cent.

"The global economy is showing signs of a recession and some major companies in the world announced layoffs are going to occur," he said to Sinar on Thursday.

On Wednesday, it was reported that workers in the country were expected to receive salary adjustments depending on their industry, high growth industries such as technology and manufacturing would witness major changes in internal salary structure.

The 2023 Job Market and Salary Trend report published by the world's largest human resource services company Randstad, on its website stated rising cost of living and inflation in Malaysia were impacting individuals and their capabilities to finance necessities and lifestyle.

Hussein stated a report from his group in 2022 found 75 per cent of employers would provide a salary increment to executives and non-executives this year.

He said 90 per cent of employers viewed their employee performance as the main criteria in the salary increment decision other than the company's capabilities to pay (74.5 per cent) and the market practice (66.2 per cent).

"In terms of 2023 projected salary increments, the 2022 MEF Executive and Non-Executive Salary Report show an increase of 5.44 per cent for executives and 5.43 per cent for non-executives.

"Based on the report, the industry expected to gain the highest increment for the executives in 2023 was led by the information technology and communications (9.40 per cent), non-metal or mineral industries (8.79 per cent) and pharmaceuticals (6.86 per cent)," he said.

He explained for the non-executive category, industries offering the highest increments were non-metal or mineral industries (10.21 per cent), logistics and warehousing (seven per cent) as well as pharmaceutical (6.86 per cent).