

Change needed to stem brain drain

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PETALING JAYA: An employers' group has called on the government to simplify the hiring process and adopt a "performance wage system" to encourage talent to remain in the country.

It has also urged companies to establish work-life balance practices by implementing flexible work arrangements to attract young people.

As countries around the world are competing to attract and retain skilled talent, Malaysian Employers Federation (MEF) president Datuk Dr Syed Hussain Syed Husman said the nation needs to review its policies to stem brain drain.

For instance, a lengthy and cumbersome hiring process would keep people away, he said.

"By the time the application to employ is approved, the person may be poached by competing countries," he said in an interview.

He added that the salary system also needed to be revamped to reward people based on productivity and performance.

"This will encourage better productivity and performance that will benefit both employees and employers and raise employees' total income, which in turn would encourage them to stay longer with the company," he said.

He noted that flexible work practices had been identified as one of the main considerations among younger talent on whether to join an organisation.

"Employees today demand flexibility tailored to their specific needs, whether it be work-life balance, physical and emotional health, or caring for their family.

“Companies need to establish work-life balance practices at the workplace to match the desired work-life requirements of employees,” he said.

He added that flexible work arrangements meant supporting values and beliefs within the organisation, and middle management would need to adopt a mindset that values flexibility.

“Top management will need to clearly articulate the value of flexible work arrangements to the organisation, be involved in addressing implementation issues, and monitor adoption to ensure they are being promoted and used.

“There must be a major mindset change by both employers and employees on productivity,” he said, adding that both have a collective responsibility to work together.

Syed Hussain was responding to the Prime Minister’s recent announcement that the government will review all human resource and human capital policies to retain and attract skilled talent to the local job market.

Datuk Seri Ismail Sabri Yaakob said the Economic Action Council had acknowledged that apart from facing challenges in creating highly-skilled job opportunities, the country was also facing competition from developed countries, which offered higher wages to woo skilled workers.

Syed Hussain said the Covid-19 pandemic had accelerated consumer and business trends that are likely to persist, such as remote work and virtual interactions, ecommerce and digital transactions, and the adoption of automation and artificial intelligence.

“The government cannot just regulate and instruct. It too needs to understand how businesses work,” he said.

The Minimum Wages Order 2022, which was gazetted on April 27, came into effect on May 1. With that, employers who have five or more workers had to raise their workers’ minimum wage of either RM1,100 or RM1,200 to RM1,500.

Companies with fewer than five workers have until Dec 31 to implement the change.