

MEF survey: More employees to get pay raise than in 2020

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PETALING JAYA: More employees are expected to get salary increment at the end of this year than in 2020, according to the Malaysian Employers Federation (MEF) Salary Survey for Executives and Non-Executives 2021.

The 27th edition of the annual MEF Salary Survey, which was launched by its president Datuk Dr Syed Hussain Syed Husman here today, indicated that 65.20% of respondent companies granted salary increases either to all or certain executive employees in 2021 compared with 58.40% in 2020.

Meanwhile, 66.40% granted salary increases to all or certain non-executives in 2021 as compared to 61.70% in 2020.

“The average salary increase for executives in 2021 was 4.40%. For the non-executives, the average salary increase in 2021 was at 4.43%,” Syed Hussain said in a statement.

“The survey forecasted that average salary increase for executives in 2022 is at 4.37%. For the non-executives, the average forecasted salary increase for 2022 is at 4.17%.”

The survey also indicated that more than 90% of respondent companies adopted employee performance as the main criteria for determining quantum of executives and non-executives’ salary

increase, followed by the companies' capacity to pay.

“Approximately 60% of the companies determined salary increase based on the profitability or productivity level, while more than half of the companies determined the quantum of salary increase based on market rate.”

As for bonus, the survey indicated that 68.30% of the respondent companies granted bonus to executives and non-executives in 2021, and forecasted that bonus for 2022 was 1.82 and 1.66 months for executives and non-executives respectively.

“A positive indicator was that the forecasted bonus for 2022 was higher than the actual bonus in 2021 of 1.58 months and 1.44 months for executives and non-executives respectively,” Syed Hussain said.

“On the employment of fresh graduates, the MEF Salary Survey for Executives indicated that 58.20% of respondent companies recruited fresh graduates as executives in the past 12 months.”

Syed Hussain said in terms of the type of jobs offered to newly-hired graduates, 80.90% of respondent companies offered skilled jobs, compared with 51.80% of companies that offered semi-skilled jobs. Five per cent of respondent companies placed newly-hired graduates in low-skilled jobs.

The MEF Salary Survey for Executives was participated by 212 companies from the manufacturing and non-manufacturing sectors, and covered 180 benchmarked positions of 23,448 executives, while 208 companies participated in the Survey for Non-Executives which covered 66,420 non-executives with 129 benchmarked positions.