

# Money, get set, go

Are Malaysian salaries enough to draw our talents back?

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FOR Daniel Chew, Brisbane – a city of modern skyscrapers but known for its laidback lifestyle – has been “home” for the last 10 years.

Even before graduating with a degree in Commerce from the University of Queensland, Chew, 29, remembers having secured a job offer. The fact that his qualifications entitled him for permanent residence in Australia only made his decision to stay on so much easier.

His career path was set out in 2005, with him joining KPMG as an auditor, and later moving on to its corporate finance division where he specialised in business valuations. His years in professional practice also saw him qualify as a chartered accountant.

Today, Chew is a commercial analyst in the oil and gas industry, and he says the salary range for such a role can be anywhere from A\$80,000 (about RM255,000) to A\$140,000 (about RM446,000) per annum, “depending on the level and type of experience”.

“I don’t think I could be earning in Malaysia what I earn here. Just the exchange rate alone already makes the salary here three times more than what it is in Malaysia,” he says.

Opportunity and lifestyle are two other factors that are keeping him Down Under, but he does not discount the possibility of returning to Kuala Lumpur if a good opportunity presents itself.

“Right now I have a girlfriend here, which means that if I were to go back, it must also mean that there is a good job prospect for her as well.

“Having a good salary package would definitely be a good motivator (to move back), but I’m also looking at career growth opportunities. And being close to my family would be a plus point,” he says.

Another Malaysian, who only wants to be known as Justin and who has been in London for about nine years, says he is apprehensive about coming back.

Justin works in the finance department of an investment bank. The market rate for his role is roughly between £50,000 (about RM248,000) and £60,000 (about RM297,000) per annum, one which he isn’t sure Malaysia can match.

“I don’t know if Malaysia would be able to offer a better salary package but for me, the main question is whether Malaysia will be able offer the same opportunities.

“London is a world hub for foreign exchange (FX) and other investment banking products such as credits, equity, rates, etc, whereas the products traded in Malaysia are considered ‘vanilla’. What I do in investment banking is quite specific. Even if I were to move into a different product area, there might not be a lot of opportunities for my career development in Malaysia,” he says.

However, Justin adds that taking care of his ageing parents in Kuala Lumpur is also an important consideration, and if push comes to shove, “Singapore might be a feasible option”.

Chew and Justin are just two examples of the many Malaysian talents living abroad, and to pull them back, salary and career opportunities are two factors which need to be seriously looked into. It has been reported that at present, as many as one million Malaysians are living abroad.

Interestingly though, according to Kelly Services managing director Melissa Norman, salaries in Malaysia in the mid-tier management are generally about 10% to 30% lower than that in our Asia-Pacific (Apec) counterparts such as Singapore, Hong Kong and Australia.



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— SHAMSUDDIN BARDAN, MEF EXECUTIVE DIRECTOR

“It varies depending on the functions and skills, but for the mid-tier level, the difference is between 10% and 30%. When it comes to the C-suite executives, the difference could be much higher (where salaries overseas could double that in Malaysia),” she says, adding that the exchange rate alone is a pull factor for Malaysians to work overseas.

(Refer to the chart, which is derived from the Kelly Services Asia Pacific Professional and Technical Salary Guide 2012. The salary guide is based on the actual transactions between Kelly’s clients and candidates.)

Currently, positions that are in high demand in the Apec region are in the engineering and information technology industries.

“Where it shows (in the chart) that Malaysia is offering a higher salary compared to, say, Singapore, it means that those are skills which are highly in demand. They are

## Salary Comparison

### Malaysia

Occupation title	Experience (Years)	Min. Annual Salary (RM)	Max. Annual Salary (RM)
<b>Banking</b>			
Asst Manager (Credit/Operational Risk)	5-8	84k	120k
Head Wealth Management	10-15	180k	360k
<b>Engineering</b>			
Electrical Engineer	3-5	48k	72k
Architect	7-10	96k	156k
<b>Info. Technology</b>			
Account Manager	3-4	42k	62.4k
Solutions Architect (Senior)	5-10	84k	180k
Chief Info. Officer	10-18	300k	600k

### Singapore

Occupation title	Experience (Years)	Min. Annual Salary (SGD)	Max. Annual Salary (SGD)
<b>Finance</b>			
Accountant	3-5	48k	78k
Head of Risk (Banking)	10+	222k	300k
<b>Engineering</b>			
Electrical Engineer	5-7	42k	60k
Electrical Project Manager	10+	96k	132k
<b>Info. Technology</b>			
Software Engineer	4-6	36k	60k
Solutions Architect (Senior)	10-12	96k	144k
Chief Info. Officer	15-25	300k	420k

### Hong Kong

Occupation title	Experience (Years)	Min. Annual Salary (HKD)	Max. Annual Salary (HKD)
<b>Banking</b>			
Credit Risk Management (Corporate Banking)	3+	360k	1mil +
Strategic Planning (Consumer Banking)	10+	720k	1mil
<b>Info. Technology</b>			
Systems Analyst	6+	420k	700k
Solutions Architect	12+	600k	1.2mil
Chief Info. Officer	15+	1.8mil	3mil

### Australia

Occupation title	Experience (Years)	Min. Annual Salary (AUD)	Max. Annual Salary (AUD)
<b>Accounting &amp; Finance</b>			
Accountant	N/A	60k	90k
<b>Wealth Management</b>			
Dealership Manager	N/A	130k	210k
<b>Engineering</b>			
Electrical Engineer	2-5	60k	75k
Architect	5-10	60k	110k
<b>Info. Technology</b>			
Project Coordinator	N/A	65k	85k
Project Manager	N/A	110k	140k
Chief Info. Officer	N/A	160k	350k

Source: Kelly Services Asia Pacific Professional and Technical Salary Guide 2012

to do in Singapore takes 3.8 employees here to accomplish the same task,” he explains.

According to the report, Malaysia’s employee productivity value (the value of productivity of one Malaysian employee) is at US\$14,217, lower than Hong Kong at US\$65,174 and Singapore at US\$55,702.

“So to look at wages on its own, that would not be fair. Sure, Malaysia is moving towards a high-income economy, but if the wages go up and productivity remains the same, it would be a recipe for disaster,” Shamsuddin says.

But the fact remains that brain drain and talent scarcity in Malaysia are very real issues that challenge employers.

Norman says that organisations are definitely “feeling the pinch of scarcity of skilled talent” which is prevalent today as people are very open to the idea of changing jobs and moving countries.

Since 2010, the Government has also been trying to woo talent back via TalentCorp, and more recently, Prime Minister Datuk Seri Najib Tun Razak announced the Talent Roadmap 2020, a nine-year time frame designed to address the underlying issues affecting talent availability in Malaysia.

So what will it take to bring our Malaysian talents back?

“Motivation is different for different people, but I would say the top three things would be the total package (salary, compensation plus benefits), the type of role these talents will have here (roles will have to be better, as no one moves laterally), and the policies that are involved (how easy it will be for talents to come back with foreign spouses, for example),” Norman says.

She adds that in trying to attract Malaysian talents back, the “rewards and the opportunities must be fairly presented so there’s a nudge for people to make that move”. “To a certain extent, having Malaysians abroad is good for Malaysia, because of the exposure that they will have. But if we can bring them back, they can do so much for the country.

“Today when you look for talent, organisations need to pitch. If the talent is extremely great, some companies even have an attraction bonus just to get them to sign on. Package jumps when you’re doing head hunting is fairly high,” she says.

Talent retention is equally important.

“We must recognise the fact that we must do something to retain the talent we already have here, so we don’t also lose them eventually,” she says, likening it to a leaking bucket.

Ultimately, Norman says, the talent that Malaysians want back are “skilled workers who are in demand with niche expertise”.

To bring them back, the question which will need answering is “What’s in it for them?”

niche skills, and companies are willing to pay a higher salary to bring in talent from abroad,” she says.

Generally, Norman says, fresh graduates in Singapore are commanding a starting salary of about S\$2,500 (RM6,200), while many Malaysian graduates are “still hovering between RM1,800 and RM2,000”.

“You need to go one step further and ask ‘Why are they getting paid a little more, and why are we paid a little less?’ This brings you to the quality of the students. The majority of graduates here come out lacking in skills.

“When you talk about Singapore graduates, you’re talking about universities like NTU (Nanyang Technological University), which are the cream of the crop. So the package they earn is warranted based on the quality of their background.

“Over here, you have the cream of the crop too, but naturally they get picked by all the ‘big boys’ (major firms and MNCs) even before they graduate. And you will have a pool of students who study overseas, but they don’t come back,” she says.

Malaysian Employers Federation (MEF) executive director Shamsuddin Bardan adds that when it comes to salaries, one has to look at the productivity aspect as well.

“When you talk about whether Malaysian salaries are competitive, you have to factor in productivity. According to the MPC’s (Malaysia Productivity Corporation) 2012 report, Malaysia’s productivity is 3.8 times lower than Singapore’s productivity.

“In simple terms, what takes one employee