

Has the 'Great Resignation' hit Malaysia?

By DINA MURAD

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On the move: According to the 2021 Employee Movement and Retention report, 61% of Malaysian talent plan to find a new job in the next year. — 123rf.com.

IN the wake of Covid-19, workers around the world are quitting their jobs in large numbers due to evolving work preferences, frustrations with their current working environments, and to look for better career opportunities elsewhere.

In September, a record 4.4 million people, or 3% of the workforce in the United States, resigned. Across the United States and Europe, dissatisfied employees are voluntarily quitting their jobs in a movement known as the Great Resignation or the Big Quit, even as economies worldwide face downturns during the long pandemic. A similar pattern of resignations can also be seen in China, although the reasons for the situation in China may be exacerbated by an ultra-stressful working culture that demands long hours from employees.

Malaysia too has suffered over the past year, with Covid-19 having an immense impact on our social and economic behaviours. Last year, the unemployment rate was 4.5%, the highest in almost three decades. Malaysia's economy also contracted 5.6% in 2020, a situation not seen since 1998 during the Asian financial crisis.

There is no doubt that many workers were retrenched, terminated or made redundant as businesses grappled with financial losses due to the Covid-19 downturn, but have Malaysians also embraced the Great Resignation and willingly left their jobs? And if so, what drove them to it?

Local trends

According to the 2021 Employee Movement and Retention report released Employment Hero, Malaysia's Covid-19 economic recovery has triggered a nationwide employee movement.

The study by the human resources and people management platform found that 61% of Malaysian workers plan to find a new job in the next year, with younger employees aged 35 and under among the most prepared to move on from their current workplaces.

Interestingly, the survey – which polled 1,004 Malaysian employees – found that the majority of employees like (45%) or even love (24%) their role, with only a minority (4%) saying they disliked or hated their job. This suggests that the work itself is not the issue.

Instead, the top reasons for leaving are a lack of career development (36%), a lack of appreciation or recognition (27%) and a lack of training opportunities (26%). Other reasons include not receiving pay raises, management woes, feeling overworked, and a lack of flexibility. Financial tolls also account for the desire to resign. Three-quarters (74%) of those who received a pay cut during Covid-19 say they will be looking for a new role within the year.

When asked what would encourage them to stay in their current role, 45% of respondents said a salary increase; 32% want more rewards and recognition; 28% selected a promotion; 28% want the introduction of a bonus structure, and 24% would like flexible working options.



The survey found that many Malaysians like their work but wanted better pay, more recognition and better career development opportunities. — 123rf.com.

Reasons for leaving

While the above study pointed out limited career growth, lack of appreciation, bad management and low pay as reasons for people to move jobs, there are also other factors at play that should be taken into consideration. For example, some Malaysian workers resigned from their companies to start new businesses, especially as the Government announced grants, funding, and micro-credit schemes to support entrepreneurs and boost economic recovery post-Covid.

However, people don't just leave jobs for career change or advancement. As schools and childcare facilities were shut or semi-operational during the earlier stages of the pandemic, many Malaysians, especially women, left the workforce to take up unpaid care work at home. The uneven burden on

women to shoulder the majority of care work will have an even more negative impact on women's participation in the labour force, which in 2018 was only 55.2% compared with men at 80.4%.

Work flexibility remains an important factor for workers. Similar to the Employment Hero study, the EY 2021 Work Reimagined Employee Survey, which tallied more than 16,000 employees across 16 countries including Malaysia, found that nine in 10 Malaysians want flexibility in where and when they work. Almost half of the Malaysian respondents said they would quit their jobs if they were not provided post-pandemic flexibility.

At the end of the day, putting food on the table is a priority for everyone and stagnant salaries are one of the major drives for career changes. Worrying data from the Higher Education ministry show that at least 10% of fresh Malaysian graduates with degrees have been getting a monthly income of between RM1,001 and RM1,500 since at least 2010. The average monthly salary for Malaysians for the year 2020 is RM2,933 while the median is RM2,060. For perspective, absolute poverty in Malaysia was defined as a household monthly income of RM2,208 in 2019.

No big quit

A study by the Malaysian Employers Federation (MEF), however, has a differing view on the impact of the Great Resignation in Malaysia.

In a written interview with Sunday Star, MEF president Datuk Dr Syed Hussain Syed Husman JP says that Malaysia is not expected to experience a mass resignation of workers due to pandemic frustrations.

According to the MEF Salary Survey 2020, the overall average monthly turnover rate of executives for the period of July 2019 to June 2020 was lower at 1.16% compared with the previous period of July 2018 to June 2019 at 1.38%.

The average monthly turnover rate of non-executives was also lower at 1.45% (June 2019 to June 2020) compared with the previous period of July 2018 to June 2019 at 1.57%, says Syed Hussain. He adds that the trend of lower turnover rates is expected to continue for the June 2020 to June 2021 period.



Dr Syed Hussain believes Malaysia is not expected to experience mass resignation of workers due to pandemic frustrations.

The main reasons for the lower turnover rate is the economic uncertainty posed by Covid-19 and high unemployment (4.7% for the third quarter of 2021 or 746,200 unemployed persons), says Syed Hussain.

“Employees thinking of leaving their companies would have to take the risks of whether the new jobs would be any more secure than their present ones. Employees’ families may not be ready to take chances for change in view of the current volatile situation,” he says.

However, Syed Hussain notes that some employees may seek out new remote work opportunities since many of their current companies are now requiring staff to return to the office after having flexible work arrangements during the movement control order.

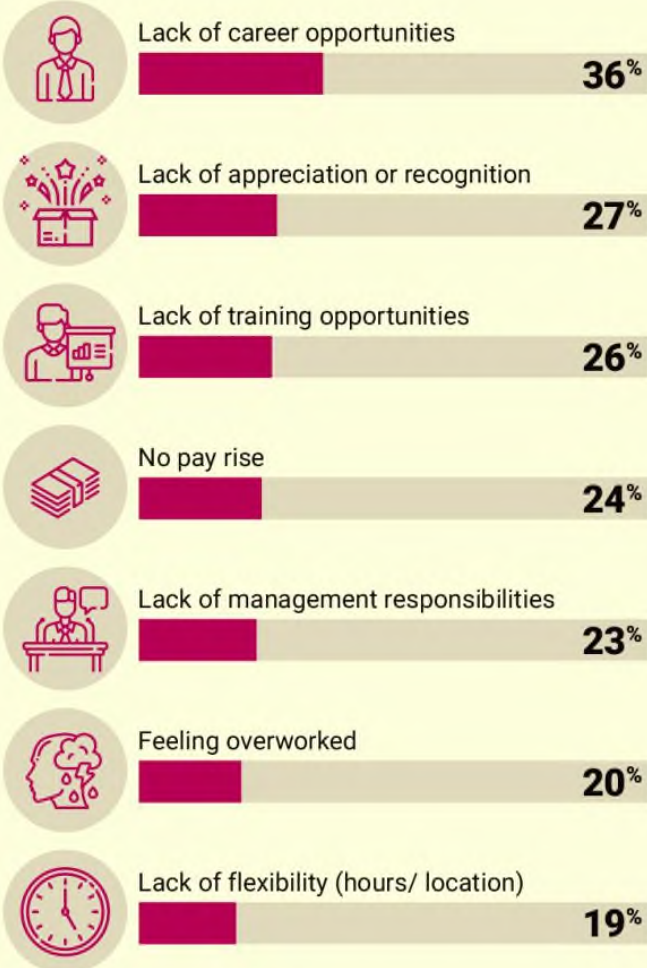
“Working from home has given employees time to think further about what they actually want in life.

“A working career or being an entrepreneur. Some have chosen entrepreneurial approaches as it gives them time and freedom to do what they want.

“Furthermore, many digital platforms have been launched to allow them the opportunity to earn income from home,” he explains.

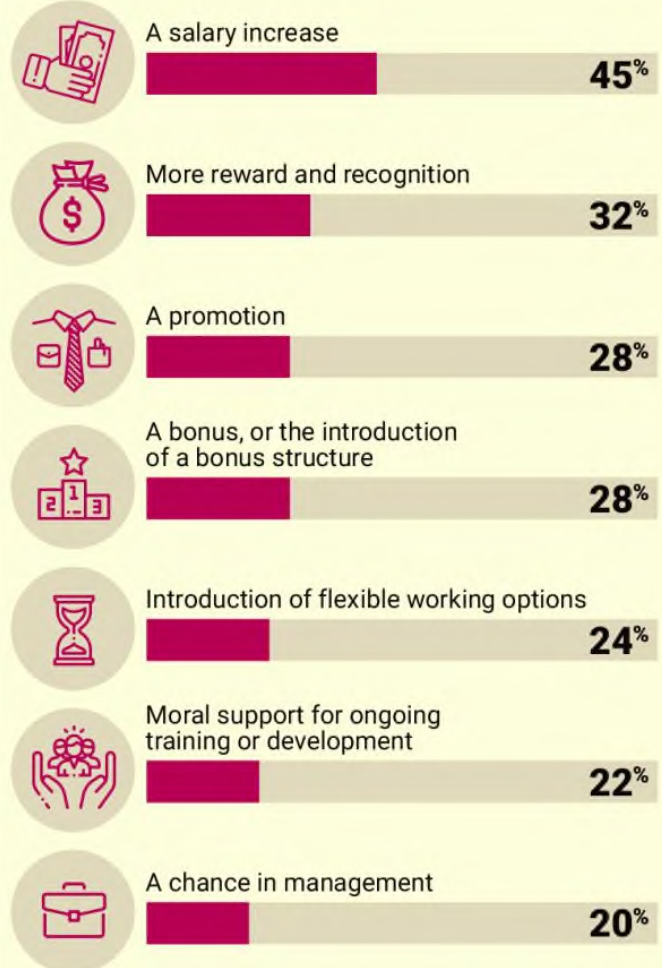
Employee Movement and Retention in Malaysia 2021

■ Top reasons for seeking a new role in a different organisation



Source: Employment Hero

■ What would encourage employees to stay?



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Nevertheless, Syed Hussain says that employers who have resumed operations would want to retain their employees as these employees have the necessary skills and training to carry their work.

In the MEF survey, employers' retention strategies include offering competitive salaries, benefit packages and providing training, growth and promotion opportunities.

"The introduction of flexible work arrangements may also attract as well as retain employees in the company," says Syed Hussain.

The Malaysian Trades Union Congress (MTUC) also predicts that Malaysia will not likely see a large resignation movement like that in the United States and Europe.

"There are differences in culture, climate, and also social protection in Europe," MTUC president Datuk Abdul Halim Mansor tells Sunday Star. As end-of-year seasonal holidays approach, many employees in

the West will quit their jobs or take paid leave throughout the winter.

Even if they are unemployed for six months, they can still be financially covered under social protection policies, Abdul Halim says.



Abdul Halim says local workers must be prioritised and paid salary that commensurates with their experience and years of service.

“There are many who are not employed in Malaysia, but this is not caused by Covid-19.

“It is because there is no suitable work due to low salaries and employers who prefer hiring foreign workers as foreign workers are paid less,” says Abdul Halim.

“Local workers can perform their responsibilities well if they are paid appropriate wages and are provided with high social protection,” says Abdul Halim, who encourages the government to support upskilling and to provide certification of skills to local workers.

“Local workers must be prioritised in the labour market and be paid commensurate with their experience and years of service,” he stresses.