

MEDIA RELEASE

MEF: EMPLOYEES TO ENJOY HIGHER ANNUAL INCREMENTS AND BONUSES

PETALING JAYA: The latest MEF Salary Surveys indicated that 93% of employers granted salary increases to all or certain executive and non-executive employees in 2022, which was a significant increase from 65.2% and 66.4% respectively in 2021.

“The surveys revealed that the average salary increases for executives was 5.26% while it was 5.35% for non-executives,” said MEF President Datuk Dr Syed Hussain Syed Husman P.J.N., J.P. who launched the 28th edition of the MEF Salary Surveys for Executives and Non-Executives today.

“In terms of forecasted salary increase for 2023, the surveys indicated a 5.44 per cent increase for executives and 5.43 per cent for non-executives.

“Approximately 90% of the surveyed companies attributed employees’ performance as the main criteria for determining executive and non-executive salary increases.

“The MEF Salary Surveys also showed that more than 80% of the respondent companies granted bonuses in 2022.

“The forecast for bonuses in 2023 is 2.18 and 2.06 months for executives and non-executives respectively, which was higher than the actual bonus in 2022 of 2.06 months and 1.77 months.”

The Surveys also covered the implementation of the Minimum Wages Order 2022, which increased the minimum wages to RM1,500 per month and impacted 70.3% of the respondent companies, compared to 29.7% of the companies that were not affected by this implementation.

Following the implementation of the Minimum Wages Order 2022, 53.4% of the respondent companies anticipated an increase in their overall salary or wage costs.

Among the measures adopted by companies, 59.7% of the respondent companies reduced their operating expenses, followed by an increase in the price of their products or services (48.8%).

43.8% of respondent companies intend to implement cost-cutting measures in other areas of production, while 36.8% intend to shift from labour intensive to technology-intensive production.

The MEF Salary Surveys for Executives was participated by 252 companies from manufacturing and non-manufacturing sectors, while 250 member companies participated in the Salary Survey for Non-Executives.

Besides the Salary Surveys, the MEF also launched the MEF Fringe Benefits Survey 2022 and the Analysis of Collective Agreements and Awards on Terms and Conditions of Employment 2021.

The MEF Fringe Benefits Survey 2022 provides companies with a comprehensive guide on the various types of fringe benefits provided by employers which included leave, medical benefits, allowances, retirement benefits, retrenchment benefits and other benefits such as company sponsorship for employee's education, car parking and insurance.

The Fringe Benefits Survey, which was participated by 200 companies, also analysed implementation of flexible work arrangements which included work from home, flexible working hours and staggered work by respondent companies.

The 17th edition of MEF Analysis of Collective Agreements & Awards on Terms & Conditions of Employment 2021 contain data analysis from 153 collective agreements taken cognizance by the industrial Court on terms and conditions of employment in 2021.

The scope of the report covered salaries and terms of employment for 34 unions, 24 industries and 9 locations throughout Malaysia in 2021.

In 2021, 78 CAs provided for across-the-board salary adjustment based on percentage increase at an average of 5.3%.

Based on 136 CAs that provided for bonus in 2021, 54.1% provided for discretionary bonus only followed by 32.3% provided for contractual bonus only and 13.5% provided for both contractual and discretionary bonus. The average amount of contractual bonus granted was 1.7 months.

For more information, contact the MEF Secretariat by email mef-hq@mef.org.my, or call 03-7955-7778, or fax 03-7955-9008.



Caption:

MEF President Datuk Dr. Syed Hussain Syed Husman P.J.N., J.P. (2nd from right) poses with the latest MEF publications with (from right) Executive Director, Datuk Hj Shamsuddin Bardan, Vice President, Tn Hj Mohd Syukri Ahmad Sudari, and Council Members Dato' Sri Tan Thian Poh, and Dato' Dr. Lim Weng Khuan at the MEF Secretariat in Petaling Jaya today.

23 NOVEMBER 2022