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MEF: 88pc of Malaysian firms raised salaries in 2024, but increments lower than 2023



Shamsuddin said salary increments are projected to improve, with average increases of 5.5 per cent for executives and 5.41 per cent for non-executives. — Picture by Choo Choy May

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KUALA LUMPUR, Nov 27 — The Malaysian Employers Federation (MEF) revealed today that 88 per cent of companies granted salary increases to selected executive and non-executive employees in 2024, though increments were lower compared to 2023.

MEF executive director Datuk Shamsuddin Bardan said executives saw an average salary increase of 4.9 per cent this year, down from 5.88 per cent in 2023, while non-executives received 4.85 per cent, compared to 5.56 per cent last year.

“The figures suggest 2023 was a strong year, while 2024 reflects adjustments to ongoing global challenges, including conflicts in Europe and the Middle East,” he said at the launch of MEF’s 2024 annual report.

Looking ahead to 2025, Shamsuddin said salary increments are projected to improve, with average increases of 5.5 per cent for executives and 5.41 per cent for non-executives.

He noted that the implementation of the RM1,700 minimum wage and the government’s plan to expand the progressive wage model (PWP) beyond the initial 1,000 companies could further influence salary trends.

Bonuses on the rise

Shamsuddin said 80 per cent of private-sector employers will provide bonuses in 2024, with executives expected to receive 2.32 months’ worth of bonuses and non-executives 2.22 months.

“For 2025, projected bonuses are slightly higher at 2.14 months for executives and 1.82 months for non-executives,” he added.

Low awareness of progressive wage model

On the PWP, Shamsuddin highlighted limited awareness among private-sector companies, with 60 per cent of employers reporting little understanding of the initiative.

“While a pilot programme has been completed, only two per cent of companies participated, and 51 per cent remain uncertain about its benefits,” he said.

He noted that just 11 per cent of companies believe the PWP should be mandatory, while 39 per cent prefer it to remain voluntary.

Mixed views on four-day workweek

Shamsuddin also discussed the feasibility of a four-day workweek under the Flexible Working Arrangement (FWA), with 49.5 per cent of non-shift companies supporting the idea, compared to 31.1 per cent of shift-based businesses.

“Roles in administration, management, and creative fields are seen as more adaptable to a four-day workweek. However, challenges such as client expectations and production demands pose barriers,” he said.

According to the survey, 42.1 per cent of companies believe the arrangement could initially boost morale and job satisfaction, while 36.9 per cent expect long-term benefits. However, 10.8 per cent foresee a decline in morale, and 10.3 per cent predict no significant impact.

The findings are based on responses from 236 companies in the manufacturing and non-manufacturing sectors.