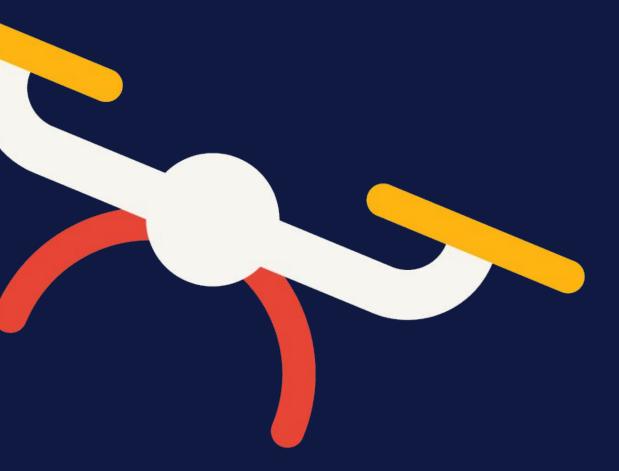
# courting skilled tech talent to drive economic growth.

employer brand research 2019 information technology and communications sector report



It is no secret. Technology is the key driver of economies around the world, including Malaysia's. Governments and companies are pumping resources to build capabilities in big data and analytics, cloud, artificial intelligence and machine learning as well as automation and robotics.

These new technologies will not only improve productivity and increase efficiencies; they will also generate cost savings in the long-run.

According to MDEC (Malaysia Digital Economy Corporation), technology-related businesses have already contributed 18.3% to the national GDP growth so far, and are on track to exceed the target of 20% by 2020. MDeC (Multimedia Development Corporation), which manages the Multimedia Super Corridor reported that at least 180,000 jobs have been created as a result of the booming digital economy over the past two decades.

Despite these affirmative results and progress to the national economy, many companies in Malaysia are still reluctant to invest and integrate new technologies due to limited resources or uncertainties around business returns.

To mitigate this and ensure market competitiveness, the local government had reiterated a greater focus on technology growth on multiple occasions in the past 12 months. Industry4WRD was launched on October 31 last year to drive digital transformation in the manufacturing industry, improve labour productivity, create more high-skilled jobs and increase the sector's contribution to the economy. A US\$720 million 'Industry Digitalisation Transformation Fund' was announced in the 2019 Budget, to accelerate the adoption of smart technology and better prepare the nation for the digital economy.

Besides national initiatives, global tech companies are collaborating with public agencies to drive technology advancements in Malaysia. These global firms bring with them their market and technical expertise to Malaysia and help foster an environment that appeals to international companies as well as nurture the local tech scene. A joint development between the Malaysian government and Alibaba - the Digital Free Trade Zone - provides local resources to tech firms seeking to enter or grow their presence in Malaysia. This initiative also provides local businesses with the opportunity to enter the Chinese market and further expand their global footprint.

# top EVP drivers of ideal employers

as told by IT and communications employees.



### attractive salary & benefits

- 1. Intel
- 2. Huawei
- 3. Dell



#### good work-life balance

- 1. Dell
- 2. Huawei
- 3. Intel



### career progression opportunities

- 1. Intel
- 2. Huawei
- 3. Dell

#### shortage of skilled talent

Companies around the world are facing a tough challenge hiring skilled and capable tech talent to drive innovation and commercialise tech products.

Tech talent are not just highly sought-after within the technology scene, but also in financial services, manufacturing and supply chain as well as construction and property industries. Organisations in these industries are stepping up investments in new technologies - such as automation and robotics, cloud and digital services - to drive efficiencies, stay competitive and minimise costs.

Malaysia is no exception in this global drive to achieve digital adoption, entrepreneurship and innovation, which has led to a growing number of job opportunities. With just a limited pool of skilled candidates, the war for talent is looking to be even more intense than before.

Tech experts understand the advantage they have when they possess in-demand skills, especially Java developers native in programming languages such as Ruby on Rails, Python and Golang. These tech professionals also often take the initiative to learn more about new tech and programming languages, which help them to stay relevant, further positioning themselves as attractive talent to companies.

<u>Our research</u> has shown how having a strong employer brand can boost a company's talent appeal. The value and strength of a company's employer brand is the most powerful talent attraction and workforce management tool in protecting corporate reputation and advancing business agenda. Therefore, companies that invest in their employer brand can secure tech talent more easily and quickly, as they are able to communicate how the firm delivers on the employee value proposition factors that matter most to these tech professionals.

#### offering a fair and highly-competitive salary to tech talent

The technology sector is known to have one of the highest base salaries and total salary increases in 2019. Salary hikes among experienced professionals are highly prevalent since 2013, and this trend is expected to continue as the demand for tech talent outpaces supply.

In fact, fresh graduates in engineering, telecommunications and high-tech courses can potentially take home a premium salary of up to 23% more than the average graduate. Companies are also willing to pay as they have higher expectations of Generation-Z workers to spearhead the nation's technology agenda. Brought up in a highly-connected world, these digital natives have a thorough understanding of technology and its potential to transform the way we work, live and play.

Companies in Malaysia are not just competing against each other when it comes to securing local skilled talent. Many in-demand tech professionals are also drawn to opportunities in other neighbouring countries because of more interesting job scopes and favourable exchange rates.

Having a healthy pool of highly-skilled tech professionals is critical to companies that are prioritising their digital agenda. Companies that want to stay at the forefront of innovation will need to invest in its human capital to ensure that they have the best talent working with them.

## reasons why

IT and communications talent stay with an employer and leave.

top 3 reasons to stay



60%

attractive salary and benefits



45%

good work-life balance



45%

career progression opportunities

top 3 reasons to leave



44%

limited career path



40%

too low compensation



36%

organisation is not financially stable

## help tech workers find work-life harmony

To keep up with the pressure to innovate, it is not uncommon for tech professionals to work on multiple projects with very tight deadlines.

A work-life index published by Kisi highlighted that Kuala Lumpur is the fourth most overworked city, just after Tokyo, Singapore and Washington DC. People in Kuala Lumpur work an average of 46 hours a week, with 22% of them working more than 48 hours. Malaysians work an average of 15 hours more than their contracted hours every week.

Despite these long hours, employees are not delivering. Kuala Lumpur reportedly has the highest productivity loss. When people are overworked, stressed and lead unhealthy lifestyles, such as skipping meals to meet deadlines, it inevitably increases the risk of health problems. Poor physical and mental health may also lead to higher levels of absenteeism and organisation productivity losses in the long-run.

Ironically, these long working hours can be greatly reduced with technology.

Cloud enables companies to build unified and personalised digital workspaces, which in turn promotes autonomy, agility and greater collaborations. Employees can access data anywhere in the world on any device at any time of the day. They can also easily connect and collaborate with their team members and people from around the world to project manage, gain more exposure and further develop their knowledge and expertise.

When workers have the autonomy in the workplace to be flexible in the way they work and how they interact, they tend to be more productive and have a greater sense of responsibility for the quality of their work. Multiple studies have also showed that job satisfaction rises when employees are given the freedom to work whenever and wherever they want, which can help lower attrition rate.



## create a learning culture that embraces a digital-first approach

Companies in Malaysia need to change the perspective that data should and can only be accessed and used by a specific group of employees, such as data scientists and analytics project managers.

For a firm to truly enjoy the benefits of technology, the understanding and usage of data should be tapped on by every employee in the organisation.

#### an always-on learning culture

When companies look at job applications, they should not merely focus on the experience clocked by the individual or the maturity of their technical skills. Employers should interview potential candidates to understand their real motivation to learn and upskill, as well as evaluate their ability to communicate and collaborate across the organisation to create new and innovative tech solutions.

Even though it is important to hire experienced professionals who can hit the ground running, it is also essential to develop training programmes aimed at upskilling the existing workforce. When employers provide continuous learning, employees are not only brought up to speed on the current developments, they will also be aligned with the long-term business objectives as they are now clear of the direction in which the company is progressing.

Great talent thrive much better in a supportive and encouraging culture. Companies looking to drive innovation and achieve optimal efficiency should foster a change-readiness mindset throughout the organisation, one which is ideally led by a strong management team.

#### leaders need to take the first step

Leaders, especially those who work in technology firms, have to be bold and courageous when driving the innovation agenda. It is imperative that leaders themselves stay up-to-date on the latest trends in technology in Malaysia and around the world, so that they can make the right investments to meet business objectives and ensure returns, even in small incremental gains.

Compared to their global peers, CIOs (Chief Information Officers) in Malaysia have more control over the company's tech investments. They are able to leverage these resources to strengthen their position as digital influencers within the organisation and among their peers. CIOs can also act as strategic business partners, unifying business leaders and the different tech teams to push data-driven organisational changes that will help their companies remain competitive.

In order for Malaysia to become home to some of the region's best tech talent and companies, organisations here must first show business results using the existing resources, to demonstrate the nation's potential as ASEAN's technology hub. This starts with a mindset shift for both talent and companies, where they will need to quickly adapt to the way technology is changing the rules of business.



67%

46%

40%

38%

of generation Z workers prioritise an attractive remuneration package over growth opportunities of millennials will resign if they face a limited career path

of generation X workers want job flexibility of generation X employees will resign if they don't have confidence in the leadership



## hello there.

This employer branding insights report is a part of the 2019 Employer Brand Research. As a global market leader in recruitment and HR solution services, Randstad prides itself on sharing market intelligence and trends with our readers on a complimentary basis.

We know that hiring great talent who can protect and advance your business growth can be challenging in a market that is in full-employment. We are confident that we can match you to the perfect talent.

Commissioned by Randstad, the independent global study is the most representative employer brand research that explores the factors that influence and motivate employees' and job seekers' search for a new career opportunity. Celebrating its 19th edition globally, the 2019 Randstad Employer Brand Research surveyed more than 200,000 employees and candidates across 32 markets.

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## connect with us for more market insights or for your talent recruitment needs.

We know that hiring great talent who can protect and advance your business growth can be challenging in a market that is in full-employment.

With a team of specialist recruiters in the information technology and communications discipline, we are confident that we can match you to highly-skilled tech talent in emerging technologies, development infrastructure, cloud, development and architecture, and more.

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