

insights from our own.



salary expectations:

realistic or optimistic?

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Referencing our latest Randstad Workmonitor survey results, we noted that 78% of employees in Malaysia across all key industries are expecting a pay raise this year. Salary expectations in Malaysia are in fact the highest when compared to Singapore and Hong Kong. We believe the expectations of higher financial remuneration are likely triggered by the continued limited supply of in-demand experienced professionals in Malaysia.

higher expectations in line with stronger economic growth

With a strong forecast of 5.2% in GDP growth this year, the Malaysia economy looks optimistic. In line with the country's expansion plans to improve infrastructure and strengthen its position as a regional technology hub, the service, construction and technology sectors are likely to experience strong growth.

In a separate Bonus Expectations survey which we've also conducted recently with candidates based in Malaysia, 47% of respondents expect a one-month bonus at the minimum. Out of the 47%, the majority who are expecting a bonus payout came from the following sectors:

31%	construction and property
14%	banking & financial services
10%	manufacturing
9%	information technology

We observed that the high expectation on bonus payout from employees working in construction, property and engineering could in part be attributed to the industries' robust growth - a result of an increasing number of major infrastructure projects across key cities in Malaysia.

money still talks

Apart from bonuses, employees in Malaysia have equally high salary expectations. With the government's ongoing efforts to promote economic growth through various large-scale investments under the 11th Malaysia Plan (11MP) for 2016–2020, the sectors highlighted above will consequently see more growth and expansion. Coupled with the candidate-short market and limited local talent pool in these sectors, employees with strong industry experience and in-demand skill sets will be actively sought-after - resulting in demand for higher pay.

This trend is further supported by our 2017 Employer Brand Research, which revealed that salary and benefits are deemed the most important attribute for Malaysian job seekers when they are looking for a new employer.

This should hardly be surprising as most of the candidates we have spoken to, regardless of the industry they are from, are viewing pay and benefits as financial remuneration for the time and effort they have invested in supporting business growth. These expectations look set to increase, as the Malaysia economy heads for a strong recovery - bolstered by an exceptional trade performance, higher crude oil prices and an increasing appetite in foreign investments.

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money isn't everything

Following salary and benefits, our Randstad Employer Brand Research has shown that job seekers across all genders and age groups in Malaysia also want to work for a company that offers good work-life balance.

In 2017, 47 per cent of employees in Malaysia placed work-life balance as one of their most important factors to consider when choosing an employer, an increase from 43 per cent in 2016. Today's job seekers, in particular the millennials, seek flexibility in terms of where, when and how they work.

More talent are increasingly looking for jobs that will allow them to balance the time spent on work with the rest of their personal activities - and they expect their employers to provide the necessary support. As such, we are seeing more and more companies working hard to meet their employees' rising expectations for work-life balance. A number of organisations have started to develop innovative employee engagement programmes and incentives to attract and retain talent. Some examples include discounted gym memberships, compressed work weeks, flexi-family leave and work-from home policies.

key drivers for job switches

The annual Randstad Employer Brand Research reported a consistent trend in employees looking to change job in the next 12 months (35%). Some of the top reasons employees give for leaving their jobs include unsatisfactory compensation, lack of career development opportunities and feeling unappreciated by their managers.

As Malaysia deepen its capabilities in technology and grow its investments in infrastructure, we also expect to see more demand for talent from these sectors. Job seekers looking to fulfil their career aspirations will seek to change employers and be attracted to these high growth industries which are likely to provide more and better career opportunities.

concluding thoughts

Based on the insights we have gathered from our various research, it's easy to see how talent attraction and retention have become increasingly complex and challenging. Employers have in fact, already lost the war on talent. Competing for talent using monetary compensation alone is in my opinion, a slippery slope. Which is why we believe employer branding will be a more sustainable point of differentiation for organisations in the long term.

Our research has shown that companies with positive brands get twice as many applications as negative brands. 50% of candidates wouldn't work for a company with a bad reputation despite being offered higher salaries.

This means companies looking to stay relevant and competitive in future world of work will need to equip themselves with the right tools to build a compelling employer brand, and fully understand the key drivers impacting their ability attract, engage and retain their best talent.

Our 2018 Randstad Employer Brand Research will provide comprehensive insights on these key drivers and uncover Malaysian employees' expectations and motivations.