

Bosses seen less generous next year

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MALAYSIAN employers will be less generous with their salary increments and bonuses next year, according to a survey by the Malaysian Employers Federation (MEF).

The MEF Salary Survey for Executives and Non-Executives 2009 found that the average forecast salary increase for executives next year is 5.10 per cent and a bonus of 1.83 months, against this year's increase of 5.36 per cent and 2.18 months respectively.

Non-executives will probably receive an average salary increase of 5.14 per cent and a bonus of 1.73 months for next year, as compared with 5.22 per cent and 1.91 months respectively this year.

About 77 per cent and 69 per cent of the respondent companies linked annual in-



crement and bonus to performance or productivity for executives and non-executives respectively.

Roughly 53 per cent and 58 per cent of companies granted salary increase to all executives and non-executives respectively this year compared with 80 per cent and 83 per cent respectively last year.

To cope with the economic downturn this year, respondent companies have implemented a hiring freeze, reduced training and cut overtime work.

The MEF Salary Survey for executives was participated by 215 member companies, while the non-executives segment covered 212 member firms.

Meanwhile, MEF vice-president Abdul Wahab Abu Bakar said that collective

agreements in Malaysia require more flexibility in order to reflect the reality of the economy.

"Our labour laws are archaic because they were laid down in the 1950s. These laws need to be progressive and responsive to the cyclical movement of the economy and to allow for the nation to be competitive," he told a media briefing in Petaling Jaya yesterday.

The survey on collective agreements and awards on terms and conditions of employment found that 91.4 per cent of the 268 collective agreements in 2008 granted across the board salary adjustments.

The average rate of across the board salary adjustment was 6.4 per cent.

About 77 per cent of the collective agreements concluded in 2008 contained elements of productivity or performance linked to salary review, bonus incentive or target incentive.