

# MEF: Salaries linked to productivity

## Lower pay increments due to downturn, survey shows

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**PETALING JAYA:** The number of companies giving out salary increments to employees this year dropped to 56% compared to 81% last year.

According to a Malaysian Employers Federation (MEF) salary survey, out of the 212 companies surveyed, only 58.4% gave increments to non-executives, compared to 83.1% last year.

Executives were marginally better off, with 52.6% of 215 companies granting increments compared to 79.5% last year.

According to Abdul Wahab Abu Bakar, vice president of the MEF, this trend is consistent with the economic downturn faced by the respondent companies since mid-2008.

"Gone are the days of a rigid structure in salary increments.

"Salaries today have to be linked to productivity in light of the economic downturn," he said during the launch of the MEF Salary Survey for Executives and Non-Executives 2009 yesterday.

The survey was conducted online, and questions were sent to MEF members in May and responses were received up to end of September 2009.

Also down was the quantum of increase given. The average salary increase was 5.22%

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ABDUL WAHAB ABU BAKAR

for non-executives and 5.36% for executives, compared to 5.69% and 6.09% respectively last year.

Abdul Wahab also launched the Allowances and Reimbursements Survey 2009 and The Analysis of Collective Agreements & Awards On Terms And Conditions Of Employment 2009 yesterday.

With regards to collective agreements, he said the common practice of negotiations once every three years is restrictive, and not able to adapt during an economic slowdown.

"The labour laws we have was laid down in the 1950s, and is very archaic.

"We need labour legislation which is more progressive, something that will respond to the cycle of the economy.

"It is not only good for business, but also maintains equity for employees," Abdul Wahab said.