



JABATAN PERDANA MENTERI
JABATAN PERANGKAAN MALAYSIA

NATIONAL EMPLOYMENT RETURNS 2019

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KOLOKIUUM
STATISTIK & SCIENTIFIC POSTER **2021**
21 SEPTEMBER 2021 | SELASA

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2. OBJECTIVES OF NER 2019



To update the profile of the Malaysian workforce



To provide information on all categories of occupation of employees in Malaysia



To produce labour market indicators on workers' pay and benefits, hours of work, education level, types of occupations and employment by industry





3. BACKGROUND OF THE STUDY

- a) The National Employment Returns (NER) is an **annual survey** conducted by ILMIA since **2007** under the Employment Information Act 1953 – section 3 which empowers the Ministry of Human Resources (MoHR) to collect and update the data on employment in Malaysia etc. salaries/wages of the workforce, education profile, job vacancies, turnover and so on.
- b) The results on this survey has been used to guide and support the Government in **planning and designing policies** that benefits the human resource development in Malaysia.
- c) The NER 2019 involves establishments encompassing all industrial sectors and occupations as per the **MSIC 2008 (1 digit level)** and **MASCO 2013 (2 digit level)** and targets private sector establishments nationwide covering all 13 states and the federal territories.





4. METHODOLOGY

- a) NER 2019 used the Establishment and Enterprise (E&E) frame established by DOSM to generate a **sample of the survey**.
- b) NER 2019 data were collected from a selection of establishments instead of all establishments in Malaysia. Hence, the result were sent for weighting to estimate the information at population level.
- c) The findings for this Final Report was based on the submission provided by **4,354 establishments** for the reference month of December 2018.
- d) The data gathered from the establishments has been weighted to the population to reflect the findings at the national level.





5. OVERVIEW : ESTABLISHMENT PROFILE

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Summary Findings at a Glance - Establishments Profile



MALAYSIA



337,818 establishments



87% of the establishments are located in the **Peninsular Malaysia**, while **13%** are from **East Malaysia**



90.3% of the profiled establishments are small establishments; **10%** are medium and large establishments



Services sector is the largest sector covered in NER 2018, followed by Manufacturing & Construction sector



29% of the establishments profiled in NER 2019 employ foreign employees





6. RESULT OF THE STUDY : THE KEY FINDINGS

A) WORKFORCE STRUCTURE

- a) Foreign employees ratio to the total workforce stood at **17.6%**.
- b) **Lower-skilled job categories** depend more on **foreign workers**.
- c) Majority of the foreign employees are **PLKS workers (90.5%)**. Expatriates represent 8% of Non-Malaysian employees.
- d) **Male employees participation (55%)** in employment is higher than **female employees (45%)**
- e) Within the senior leadership role, **32% of these** were held by **female employees**.
- f) **One third** of the workforce belongs to **high-skill job** categories.





A) WORKFORCE STRUCTURE...CONT.

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Summary Findings At a Glance - Employees Profile



11,941,052
were employed by the
profiled establishments
(11,079,359 –full time/
861,693 –part time)



Establishments from
Central region employed
52% of total employees
while East Malaysia
employed **11% of total**
employees



Establishments from
Manufacturing and
Services sector employ
83% of the total
workforce in Malaysia



Large establishments
(~4% population
representation) employ
44% of the total
workforce in Malaysia



One third of the
employees employed are
high skill workers,
whereas **1 in 5** employees
are **low skilled workers**



About **one-fifth of the**
workforce in Malaysia
are **foreign**
employees



Women made up of
32% of the senior
leadership roles



The average working
hour per week is at
44.8 hours





B) PAY STRUCTURE

SALARIES AND COMPENSATION

- a) The average median monthly pay for employees by the establishments is **RM3,360**.
- b) Establishments from **Peninsular Malaysia** paid an average monthly basic salary of **1.68 times** more than establishments from **East Malaysia**.
- c) **Difference in average pay for large establishments and small establishments are about 1.37 times.**
- d) **The pay gap between the high-skilled and low-skilled jobs is at 5.2 times.**
- e) **Malaysian employees on average earn twice more than Foreign employees.**
- f) **Gender pay gap** is at approximately **14%** between Male and Female employees.
- g) The average salary range paid by establishments to all employees are between **RM2,385 to RM6,242**.

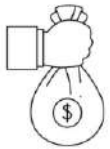




B) PAY STRUCTURE...CONT.

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Summary Findings At a Glance - Salaries & Compensation



RM 3,360

average monthly basic
salaries provided by
establishments



Establishments from
Central region paid the
highest average monthly
basic salaries



Highest paying sector:
**Financial and
Insurance/Takaful
Activities**



Establishments from
Peninsular Malaysia pay
40% higher than East
Malaysia



RM 1,324

The median salary for low
skill job categories has
already exceeded the
minimum wage level



The gender pay gap
is at **14%** (male vs
female employees)



Two-third of the
establishments provide
cash allowance and
bonus payout for their
Malaysian employees





C) SKILLS & TRAINING STRUCTURE

SKILLED WORKFORCE

- a) **Accounting and Finance, Administrative or Clerical, Human Resources, Management or Strategic Management, and Teambuilding or Motivation** are the top 5 skills training required by the employers.
- b) **Lack of competency or skill level** is the top reasons why certain vacancies within the skilled segment are hard-to-fill.
- c) **About 39% of the Malaysian employees hold tertiary education qualifications, while 4% hold TVET-related qualifications.**
- d) 61% of the employees profiled in NER 2019 were sent for either internal/external training. Each employee which attended the training costs the employer about **RM578**.





C) SKILLS & TRAINING STRUCTURE...CONT.

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Summary Findings At a Glance - Skills & Training



More than one-third of the Malaysian employees have obtained tertiary education qualifications.



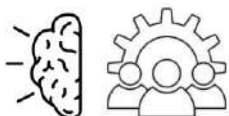
However, half of the Malaysian employees only have secondary education and below and **2% of them do not have formal education**



Only **4%** of the Malaysian employees have **TVET-related qualifications***



About **35%** of the Malaysian employees employed have less than 3 years of working experience



Emotional intelligence and **coordinating with others** are among the most quoted critical skills for Malaysian employees



Top 3 skills training:
Accounting or Finance, Administration or Clerical, Human Resources



49%
of establishments sent their staff for training



61%
of Malaysian employees employed received training

Note: TVET related qualifications refer to Malaysian Skills Certificate Level 3, Malaysian Skills Diploma/Advanced Diploma



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D) JOB MARKET

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LABOUR DEMAND

- a) **Vacancy rate** stood at **7%**.
- b) **19%** of the **vacancies** are **hard-to-fill** at present.
- a) **Low-skill job** categories are **most in demand** in terms of vacancy rate.
- b) The average **turnover rate** is at **20%** with **involuntary turnover** at about **3%**.

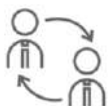




D) JOB MARKET...CONT.

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Summary Findings At a Glance - Hiring & Recruitment



On average, the employee turnover* rate is at **20%**
(highest 45% in Accommodation and Food Service sector, lowest 11% in Real Estate sector)



7 in 100 jobs are vacant in the current labour market
(Administrative & Support Services sector and Other Services sector reported the highest vacancy rate at 15%)



One third of the current vacant jobs are for expansion purposes
(Expansion 33% and Replacement 67%)



Only **26%** of the vacant jobs are for high-skill job categories



19% of vacancies are hard-to-fill, with a higher proportion dedicated to low-skill workers
(41% of vacancies from the Administrative and Support Services Activities sector are classified as hard-to-fill)

*Turnover rate is calculated based on the total number of employees who resigned in 2016 over average number of employees for 2016.



6. CONCLUSION

- a) NER result give a pulse of what happened in the Malaysia job market.
- b) Findings from NER will be used primarily to support the government especially to the Ministry of Human Resources (MoHR) in identifying emerging trends in salary/wages and contributes to developing policies relating to human resource development.
- c) Nevertheless, the findings should be interpreted carefully as it is weighted to the population level, which involves estimation according to the data provided from the establishment sampled.



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