

2023 job market and salary trends.

malaysia



specialisations

we cover.




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malaysia job and skills outlook

Recruitment activities are at an all-time high in 2022, as companies double down to expand their workforce with the best talent that Malaysia has to offer.

According to the [Malaysian Institute of Accountants](#), the country's gross domestic product (GDP) is expected to grow 4% to 5% in 2023 - slightly lower than the estimates for 2022, indicating slower economic growth next year.

This comes in the backdrop of the slowing global economy, with many global companies cutting back on recruitment activities in light of the recession and record-high inflation to focus on budgetary controls.

However, the recession could benefit Malaysia's labour market as companies are likely to move their business units and headcount from Europe to Southeast Asian countries. This would drive the creation of new jobs for the local workforce and will also attract more top-tier global talent to relocate to Malaysia.

Some businesses have closed or merged during the pandemic, which has created an opportunity for new business entrants. With more customers demanding customised experience, we are seeing more start-ups and small and medium-sized enterprises emerge in technology, construction, manufacturing and shared services. These new businesses will also create more jobs and put more people to work.

The labour market is anticipated to improve next year, and the Ministry of Finance [forecasted](#) the unemployment rate to reduce from 3.8% to 4% in 2022 to 3.5% to 3.7% in 2023.

As we enter 2023, we expect this trend to continue, albeit at a slightly slower pace and with a greater focus on specialised roles which are outlined in our market outlook report.

Companies will see success in their hiring strategies only if steps are taken to manage new talent expectations and upskill the local workforce.

talent trends to watch: technology, manufacturing and construction

Technology will be the focal point of growth in Malaysia in the coming years. The digital technology industry is projected to contribute 22.6% GDP by 2025. Correspondingly, digital job vacancies have tripled from 19,000 to 56,000 within a year and 5G technology developments will create 750,000 jobs by 2023 in Malaysia alone.

These ambitious growth targets will drive demand for talent for both IT development and enterprise. With more jobs than the supply of talent in the market, companies are fiercely competitive in their talent attraction strategies. The technology sector records some of the highest pay increments in Malaysia, which is unsustainable in the long run, especially for early-stage start-ups that are in dire need of talent.

Supply chain congestion has slowed manufacturing activities in Malaysia. As it happens, manufacturers are already actively expanding their workforce to fulfil backlogs and new orders. As more manufacturers build more facilities in Malaysia to meet global demands, we will see more hiring at the senior level for plant managers and heads of production.

While buyers' interest in residential properties may have dipped in line with rising costs, demand for commercial developments is rising. Construction companies serving manufacturing, data centres and energy customers will be actively hiring new headcounts to meet deadlines. According to [Arizton](#), more than \$2 billion will be invested in the development of data centres across Malaysia by 2027.

After a two-year pause, government infrastructure and transportation projects are finally resuming in Malaysia as well, putting more people back to work.

managing increasing salary expectations

Over the past year, we have seen a significant change in the support that talent expects from companies.

The rising cost of living and hiking inflation in Malaysia has made an impact on people's ability to finance essentials and lifestyles. There is also pay and career stagnation over the course of the COVID-19 pandemic when companies froze hiring, salary increment and bonus payouts in 2020.

In response to the rising rates, companies are reviewing and revising their salary benchmarks to retain and attract new talent. Depending on the industries, we can expect to see 3% to 20% salary adjustments, with high-growth industries like technology and manufacturing making more significant changes to their internal salary structures.

Randstad Malaysia's [2022 Employer Brand Research](#) found that 74% of local employees prioritise salary and benefits when looking for a new employer. Companies that have workforce expansion plans or are looking to hire candidates equipped with niche skills would need to offer a very competitive salary and benefits package to secure talent.

employers urged close the widening skills gap

One of the key hiring challenges that many employers face is the lack of skilled talent in Malaysia. Employers have high expectations of talent to be digitally adept to deliver on projects and tasks.

This is most evident in industries and roles that are highly technical in nature, such as engineers and developers. Without the necessary skills and learning opportunities, they would not be able to work on more complex projects that would help them make progress in their careers.

However, there is a lack of upskilling programmes that are offered to employees and general unpreparedness among fresh graduates when they enter the workforce.

Randstad's [Workmonitor](#) survey revealed that 85% of Malaysians said that it is important for employers to offer learning and development training programmes, and 74% will stay with their current employers if upskilling opportunities are offered to them. Only 36% of respondents said that they received new training in the past year.

The same survey highlighted that 61% of employees in Malaysia want to develop their technical skills so that they can be more capable and productive.

It is clear that employees are aware of their skills gap and are motivated to upskill. To uplift the total Malaysian workforce, employers need to invest in upskilling their workforce. It is the employer's responsibility to work with experts or improve the capabilities of their internal learning and development team to upskill their employees through relevant and useful training courses.

Companies should also work with schools to offer more impactful internship programmes. These programmes are a great channel for companies to screen and hire potential employees. Companies can create opportunities to let undergraduate students work on key projects to evaluate their skills and growth potential and convert them into full-time employees if they meet the business expectations.

pushing the boundaries of flexible work

There are significantly more companies that are offering hybrid work to their employees. In fact, flexible work has become such a common expectation in Malaysia that job seekers do not even ask whether the company offers hybrid work during job interviews.

To compensate for the inability to work remotely, companies in manufacturing and construction are offering flex benefits, overtime pay and extra allowances to motivate their employees and promote better work-life balance.

In our [Talent Expectations survey](#), 60% of employees in Malaysia said working remotely can help them lead a balanced life. When asked how they define work-life balance, 28% of respondents said that it is about having the flexibility to work anytime and anywhere they want as long as they can meet work deadlines.

This degree of flexibility can result in greater autonomy and productivity as employees get to make their own decisions about when, where and how they choose to complete their work.

In the next year, we can expect companies to offer global programmes to allow their employees to work remotely from another country while on holiday. We may also see some companies pilot shorter work weeks to improve their employees' work-life balance. This change will also shift measurements from monitoring outputs instead of the number of working hours, which would focus more on tracking the employee's performance.

be agile and get used to change

Change is crucial to thriving in Asia's rapidly evolving business landscape. With people serving as the backbone of any organisation's success, it is important that business leaders learn to address employee expectations for more effective talent attraction and management efforts.

The investment in employer branding will prove fruitful in the end when companies see employees feeling happier and becoming more productive. Organisations will naturally be able to attract top talent because they want to not just work for you, but also stay with you for as long as possible.



information technology.

The ever-changing global economy and technology's rapid advancement continue to drive Malaysia's proactive and innovative approach towards the digital economy. A joint report from Meta and Bain & Company forecasted Malaysia to have [the highest proportion of digital consumers in the region at 99%](#).

Correspondingly, government initiatives such as the [Malaysia Digital Economy Blueprint \(MyDIGITAL\)](#) and the [National Fourth Industrial Revolution \(4IR\) Policy](#) push for more effective cybersecurity practices and the adoption of advanced technologies.

From consumer banking to logistics, every industry and consumer in Malaysia interact with technology every day. Companies are constantly investing to improve their technology usability and security to provide a better experience for their customers, which would pave the way for new entrants and job creation in development and enterprise technologies.

2023 information technology trends.

Vibrant developments in cloud computing, cybersecurity, artificial intelligence, Internet of Things (IoT), virtual reality (VR) and blockchain will continue in 2023.

Most companies, even start-ups, are moving towards Web3 technologies. As the third iteration of the World Wide Web, [Web3](#) envisions a decentralised and open Web that integrates blockchain technologies and token-based economics.

In response to the recent industry shake-ups led by the collapse of high-profile cryptocurrencies and retrenchments, companies venturing into Web3 will adopt a sharper and more prudent growth and hiring strategy. Cost optimisation, productivity and lead time on returns would also drive the majority of business decisions next year.

The transportation, manufacturing, and supply chain industries will benefit from automation. In contrast, the banking, financial services and insurance sectors are in a constant state of transformation to keep up with evolving customer and business demands.

5G will drive talent hiring

The highly anticipated [5G rollout in Malaysia](#) is underway, and the developments will further advance web evolutions and create an estimated [39,000 value-add jobs](#).

Malaysia's 5G implementation, led by [Digital Nasional Berhad \(DNB\)](#), will provide an enabling environment to grow the local digital economy. With the nation's major mobile carriers [on board](#), we anticipate a boost in talent and business demands to test out the full capabilities of the country's 5G infrastructure.

Already, companies are driving up the demand for 5G-specific technical professionals like network and infrastructure project managers in manufacturing, transportation, finance, and retail.

data centre developments

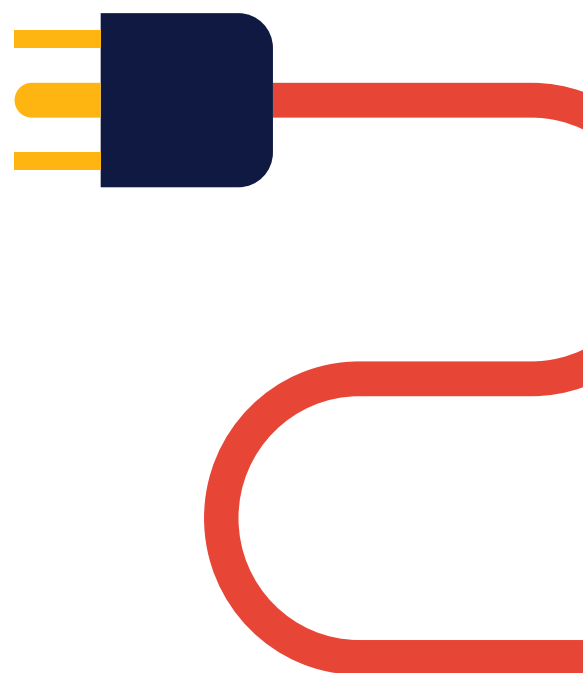
Owing to its stable network connectivity and high internet penetration, Malaysia remains a [preferred data centre location in Southeast Asia](#), next only to Singapore and Indonesia.

Between 2022 and 2027, MNCs will invest more than [US\\$2 billion](#) to develop Malaysia-based data centres, to provide improved cloud computing services to the region as more businesses will rely on cloud solutions as they undergo further digital transformation.

Cyberjaya is at the heart of this development, with 14 of its data centre facilities [contributing 75% of the existing capacity](#) in Malaysia. In the coming years, data centre supply will see a three-fold increase from another [15 announced and under-construction projects](#) with co-location operators.

Highly regulated and restricted industries, such as banking, are ramping up data centre development and capabilities because of their high computing, processing, and security requirements.

Additionally, rapid advancements in cloud technology used across other industries means that operators must constantly upgrade existing data centres to meet business and customers' needs.



course corrections within the technology space

Tech giants and unicorns have announced retrenchments and hiring freezes towards the second half of 2022. Some companies have attributed recent restructuring to a poorer economic outlook as well as over-hiring and inflated wages, which had diluted overall profitability and productivity.

Big tech business Meta [let go of more than 11,000 employees](#), or about 13% of its workforce, to become a leaner and more efficient company.

Global e-commerce giant Amazon is also set to [‘consolidate some teams and programmes’](#) under its devices, retail, and human resources divisions, leading to [approximately 10,000 job cuts](#).

In Southeast Asia, major e-commerce player Shopee made the news when it [slashed jobs in Malaysia](#) and [three other countries](#) to optimise operations and achieve self-sufficiency.

These changes can be seen as a reflection of how business demands have changed over the course of the pandemic. Now that the pandemic is behind us, business leaders are course correcting their growth plans and focussing their resources on products and solutions that would define them as a company as well as drive higher returns. Resource optimisation would be a key priority as employers evaluate skills requirements much more closely.

The market should expect a slowdown in hiring activities in the first half of 2023, as companies focus their hiring strategies for more highly skilled technologists to gain a stronger advantage and competition in the market. Employers will also have a greater focus on workforce retention to continue service delivery.

Tech professionals working on older technology, legacy systems or projects that are at risk of being phased out in the face of Web3 and 5G developments, will need to find internal upskilling and mobility opportunities to retain their job security.

despite shake-ups, all is not lost

On a more positive note, these business restructurings have created ‘market downtime’ that allow tech talent to pursue new careers and projects to expand their portfolios and acquire new skills. Some software developers and web designers are freelancing for smaller projects or creating their own, which would further hone their skills and make them more attractive to employers.

This may lead to an ‘open source’ job market, where technical employers evaluate projects in the marketplace to find their next hire instead of going through the normal interview process.

Hiring trends are often cyclical and seasonal and shall pass. Based on what we have observed over the years, these hiring trends—layoffs and hiring freezes—are part of the cycle that tests a company’s resilience and adaptability.

Businesses prepared for radical changes will be the first to find opportunities in obstacles. Start-ups developed ride-hailing services and super apps because of changing customer behaviours and demands. This has motivated other companies, like those in financial and travel services, to expand their digital and mobile offerings.

To adapt to these new realities, employers must develop smart hiring strategies to ensure they have the best people, skills, and expertise capable of driving change.



the race for IT talent

As it is, there is a stark skills gap within the technology industry.

Countries and companies are strategising to address this global tech labour shortage. For example, Singapore, Thailand, and Dubai have introduced new work visas to attract in-demand senior technologists. Companies worldwide are also raising their remuneration packages to appeal to hard-to-find IT talent.

With all these compelling packages, it is no surprise tech professionals in Malaysia look elsewhere for opportunities. Relocating to another country is not just about working in a job with higher pay, but also living in a place that offers higher standards of living, better foreign exchange rates and more career growth opportunities.

One suggestion to counter this talent drain is to position Malaysia as the destination to work and live in Southeast Asia.

The [digital nomad pass](#) is one such initiative designed by the government to attract digital professionals from all over the world. Issued by the [Malaysia Digital Economy Corporation \(MDEC\)](#), the pass lets inbound digital nomads, or remote workers in the digital economy space, enjoy the agency's curated co-working facilities and services.

Another more impactful and comprehensive strategy that companies can implement to close the skills gap in Malaysia is to upskill the existing workforce.

Employers should actively identify skills gaps that stop the company from meeting its goals, and then evaluate the capabilities of its current workforce to develop job transformation roadmaps to resolve deep-seated workforce competency issues.

For 2023, in-demand development and enterprise IT jobs include:

- software engineers
- data engineers
- data scientists
- AI agents
- cloud engineers
- DevOps engineers
- cybersecurity specialists
- IoT consultants

2023 talent expectations.

With fears of [a recession in 2023](#), the uncertain economic outlook will pull job candidates into opposite extremes: some will actively look for jobs, while others may take a more cautious approach when considering a career switch.

Conservative candidates are careful about where they want to move next. While they do not necessarily want to switch jobs, they will be open to new opportunities that can boost their careers.

On the other hand, employees in the throes of retrenchment and layoffs are likely to find employers that can offer better job and income security.

[promote total compensation and benefits package to attract talent](#)

Candidates are expecting to receive a 20% to 30% salary increase when they switch employers in 2023. Companies that offer less than a 20% pay increment will likely face challenges in attracting talent.

Employers with a smaller hiring budget next year would need to be more creative in their total remuneration package to stay competitive in a talent-short recruitment market.

Project-based allowances and bonuses for performance and project completion can help attract talent. Higher commission on target earnings for those in sales positions can also be an attractive financial reward that will appeal to job seekers.

Other financial benefits that are particularly useful to attract talent and improve the overall employee experience include fuel or transport allowances, food subsidies and unlimited annual leave. However, if there is one benefit that we know employees prioritise, it is flexible working arrangement.

Respondents in the [Randstad's Reimagine Work white paper](#) said that work-life balance stems from having better control over their work and personal time. Without the commute, employees can exercise more flexibility in their lives while working from home, helping them live a better-balanced lifestyle.

[promote training and development opportunities](#)

As technology evolves, continuous and regular upskilling will be crucial to the organisation's success.

Software engineers will take on more projects to deepen their Web3 capabilities and cybersecurity professionals will build customised processes to strengthen overall data protection for the company. These on-the-job exposures train employees to become more productive and equip them with skills to drive innovation.

Tech job seekers often expect a clear work plan for their first six to 12 months to understand their learning opportunities and career progressions. It also helps create a sense of job security for the candidate, knowing that they will be working on projects that contribute to the company's growth.

Senior-level candidates will want to know the challenges that they are expected to tackle in their first few weeks, and the fresh strategies they would need to develop to set the company in the right direction. On the other hand, managers want to know how they can grow their team's capabilities and resources within the first year.

Despite these high expectations, most companies' existing corporate onboarding programmes still leave much to be desired for tech talent. Sometimes, employers just provide a folder or mandatory online training programmes and expect trainees to learn independently, which is not the kind of training experience people expect to receive.

Many IT professionals prefer to receive personalised or customised training, either one-on-one or classroom-style training so that they can ask questions and establish relationships within the organisation. They also value mentorship opportunities that can help improve their soft skills, such as time and stakeholder management.

promote job responsibilities and organisational culture

Despite the robust start-up scene in Malaysia, there is still a preference to work for larger companies. Many candidates prefer working for a familiar brand or an established company with a larger presence as they associate those businesses with more stability and job security, which may not be necessarily true.

Recent layoffs from tech giants indicate that even some of the biggest companies can make mistakes while trying to balance workforce planning and achieving profitability.

We actively educate job searchers on how company sizes and maturity do not necessarily correlate with job and income stability, especially since people hardly work with only one employer throughout their whole work life.

Instead, we encourage talent to interview with companies that may be lesser known but offer promising career growth opportunities and a pleasant work environment. They will have the opportunity to acquire new skills and deepen their capabilities, which would make them more attractive talent to employers.

It is hence critical for small-and-medium enterprises and start-ups to share more information about what it is like to work in the company to help create clarity on how the company can support their growth in a supportive environment.

One of the ways that employers can do that is to invite the job applicant to meet with the rest of the employees during the final round of interview. This interaction helps them understand the synergy within the team as well as evaluate whether the environment fits them.

win with employer branding

Amid uncertainties in the tech space in the early half of 2023, we advise employers to actively strengthen and promote their branding to stand out in a sea of companies vying for the same small talent pool.

The company website serves as a 'storefront' to attract and engage with new talent. Enhancing your digital capabilities like search engine optimisation, search engine marketing, content marketing and talent engagement showcases your company's ability and attracts talent who wants to work for you.



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salary snapshot enterprise.

roles.	years of experience	low	medium	high
cloud DevOps (AWS, GCP, azure)				
junior cloud DevOps	< 4	4,000	6,000	8,000
senior cloud DevOps	4 - 8	8,000	12,000	15,000
principal / lead architect	8 - 12	15,000	20,000	25,000
head of cloud architecture	12 - 25	25,000	32,000	40,000
infrastructure (system, network, windows, linux, data centre)				
junior infrastructure engineer	< 4	3,000	5,000	7,000
middle - senior infrastructure engineer	4 - 8	7,000	10,000	12,000
lead / architect infrastructure engineer	8 - 12	12,000	18,000	25,000
head of infrastructure	12 - 25	20,000	30,000	40,000
ERP (SAP, oracle, MS dynamics, workday, salesforce, CRM)				
junior ERP (consultant / support admin)	< 5	4,000	7,500	10,000
middle - senior ERP (consultant / support admin)	5 - 15	12,000	20,000	25,000
manager / lead ERP consultant	15 - 25	20,000	28,000	35,000
cybersecurity (SOC, IAM)				
junior security engineer	< 5	3,000	5,500	8,000
senior security engineer	5 - 15	8,000	16,000	25,000
cybersecurity consultant / manager	5 - 15	8,000	16,000	25,000
senior manager - governance, risk & compliance	10 - 25	15,000	32,000	50,000

Figures are in MYR and based on a basic monthly salary of a permanent role (not including AWS or fixed/variable bonus)

salary snapshot enterprise.

roles.	years of experience	low	medium	high
cloud DevOps (AWS, GCP, azure)				
junior project analysts / coordinators	< 3	3,000	4,000	5,000
business analysts / project managers	3 - 7	5,000	9,000	12,000
senior BA / head of project management / project director	7 - 25	12,000	24,000	35,000
technical PM / agile coach / scrum master	8 - 25	12,000	24,000	35,000
product sales & business development				
junior executive	< 3	3,000	4,000	5,000
senior executive / account manager	3 - 8	5,000	10,000	15,000
head of (pre)sales / sales director	8 - 25	15,000	50,000	100,000

Figures are in MYR and based on a basic monthly salary of a permanent role (not including AWS or fixed/variable bonus)

salary snapshot development.

roles.	years of experience	low	medium	high
software engineer (C#.Net, JavaScript, Java, Golang)	1 - 2	2,800 - 3,000	3,000 - 3,500	5,000 - 6,000
middle-level software engineer (C#.Net, JavaScript, Java, Golang)	2 - 5	4,000 - 5,000	6,000 - 7,000	7,000 - 10,000
senior-level software engineer (C#.Net, JavaScript, Java, Golang)	> 5	7,000 - 8,000	8,000 - 10,000	10,000 - 16,000
solution architect (C#.Net, JavaScript, Java, Golang)	> 8	12,000 - 14,000	14,000 - 16,000	16,000 - 21,000
tech lead (C#.Net, JavaScript, Java, Golang)	> 8	13,000 - 14,000	14,000 - 16,000	16,000 - 21,000
software tester (manual)	1 - 3	3,000 - 4,000	4,000 - 5,000	5,000 - 5,500
middle - senior software tester (manual)	> 3	5,000 - 6,000	6,000 - 8,000	8,000 - 12,000
software tester (automation)	1 - 3	4,000 - 5,000	5,000 - 6,000	6,000 - 7,000
middle - senior software tester (automation)	> 3	7,000 - 9,000	9,000 - 11,000	11,000 - 14,000
data engineer	1 - 3	3,000 - 4,500	4,500 - 6,500	7,000 - 8,000
middle - senior data engineer	3 - 5	6,500 - 7,500	7,500 - 9,000	9,000 - 13,000
data architect	> 5	10,000 - 13,000	13,000 - 15,000	15,000 - 20,000
mobile developer (hybrid/native)	3 - 7	4,000 - 6,000	6,000 - 7,000	7,000 - 10,000
mobile lead	> 5	10,000 - 12,000	12,000 - 14,000	14,000 - 18,000
UI/UX designer	3 - 5	6,000 - 8,000	8,000 - 9,000	9,000 - 12,000
product manager	3 - 5	6,000 - 8,000	8,000 - 9,000	9,000 - 12,000
senior product lead	> 5	9,000 - 12,000	12,000 - 15,000	15,000 - 20,000

Figures are in MYR and based on a basic monthly salary of a permanent role (not including AWS or fixed/variable bonus)



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manufacturing.

Port congestion, delayed deliveries and rising costs are issues that have plagued total manufacturing output in 2022. We expect global supply chain disruption to continue well into the [first half of 2023](#), with [rising costs](#) remaining a major concern for many organisations.

To resolve these challenges, we see companies stepping up to focus on port operations, warehouse management solutions, and even developing new air freight solutions. But these are just quick fixes, and the industry needs to take a more systematic approach that can weather future unexpected challenges.

One of the best ways to mitigate these issues is to prioritise domestic suppliers over imports. This creates new business and growth opportunities for local companies. Not only are local companies able to fulfil more orders, but they can also integrate predictive analytics and inventory management solutions to digitise their processes as well as reduce downtime and optimise costs.

This approach requires business leaders to embrace digital and technological integrations. Slow digitalisation in the manufacturing sector has impacted talent attraction and retention, as people actively seek opportunities to improve their productivity and learn new skills so that they can take up high-value jobs in the future.

Despite these prevailing challenges, Malaysia maintains confidence in the manufacturing sector with support from its [pro-business policies](#) that makes it easy for foreign MNCs and local companies to invest and expand.

As more businesses leverage these initiatives, more high-value jobs will be created, intensifying the competition for skilled talent.

growth in key areas in manufacturing.

automotive, data storage and wireless solutions driving demand for semiconductors

There is an easing demand for consumer electronics globally. According to research from S&P Global, the semiconductor cycle is [headed for a downturn](#) due to falling demand. Supply shortages and price pressure indicators continue to [‘squeeze profitability’](#) for companies reliant on semiconductors.

It’s a sentiment echoed by the Malaysia Semiconductor Industry Association (MSIA), which [expects a decline in 2023](#) because of consumer-centric end-market weaknesses, particularly for personal computers (PCs) and smartphones. In the same vein, HP has [announced](#) that the company will cut up to 6,000 jobs globally over the next three years as demand for PCs wanes.

Despite these curveballs, Malaysia remains a major player, cornering [13% market share](#) in global chip testing and assembly. Over the past year, a total of [RM52 billion in semiconductor investments](#) have been secured, potentially creating 11,000 jobs in the sector.

Rising industries that need a steady supply of chips are keeping demand strong. Where semiconductors are concerned, the automotive, data storage, and wireless sectors will drive at least 70% of the manufacturing industry.

An earlier McKinsey report has projected that these three sectors will spur about [70% of growth in the global semiconductor market](#). The automotive industry, in particular, has been singled out as the [strongest-growing segment](#), owing to the growth in autonomous driving and e-mobility.

sustained interest in chemical activities

‘Chemicals and chemical products’ is [one of the six main new growth areas](#) that the government has identified to accelerate Malaysia’s transformation into a high-income nation. The chemical industry makes up [10.5% of the local manufacturing sector](#) and contributed 2.6% to Malaysia’s gross domestic product (GDP) in 2021, equivalent to [RM35.5 billion](#).

Outlined in the 2023 Budget, the government will allocate [at least RM10 billion](#) in funding to benefit the oil and gas, services, and equipment (OGSE) industry, with Pengerang given special status and incentives for its chemical and petrochemical activities. This will alleviate businesses’ cost pressures that were created by high inflation and oil price volatility.

Prices for commodities and specialty chemicals will remain robust throughout the year, driven by strong market interests. New and emerging products such as specialty chemicals, green chemicals, and specialised plastics will [expand the industry further](#).

the rise of high-tech parks

The Malaysian Government has implemented a variety of incentives to boost Industry 4.0, including developing high-tech parks to attract high-value investments and drive innovation locally.

Also known as industrial or technology parks, high-tech parks catalyse technological advancements and operational excellence for smart manufacturing. Multinational and small-and-medium manufacturing enterprises are encouraged to congregate in these hubs to collaborate and share best practices on modern technologies, such as artificial intelligence and data analytics.

A prime example is [Kulim Hi-Tech Park \(KHTP\)](#), Malaysia’s first fully integrated high-tech park. As of writing, KHTP has 38 industrial tenants employing a 34,000-strong workforce, bringing RM124.9 billion in total investments. The [SME Park](#) within KHTP is a ‘plug-and-play’ facility where firms can tap on to lower costs and reduce turnaround time to manufacture goods and fulfil requests, creating more opportunities for SMEs to expand their business with ease.

While KHTP currently holds the title of Malaysia’s premier high-tech park, more industrial and technology parks are [under development](#) to drive high-quality product innovation and production.

High-tech parks can uplift the industry, as it creates a better understanding of how to use technology as an enabler to drive innovation. Smaller manufacturers can experiment and learn from the best players, which would further build their confidence to explore new possibilities with technology. This exposure and willingness to move with the times can help improve the sector’s perspective to attract more talent.

intense competition among medical device manufacturers

Another [one of the six main new growth areas](#) is the healthcare and pharmaceutical industry. The COVID-19 pandemic has strengthened [domestic capacity building](#), reducing the country's reliance on pharmaceutical product and medical device imports.

We also expect to see the manufacturing of medical devices and disposables increase by 10% to 15% compared to pre-pandemic levels, driven by an ageing population and a stronger desire for better health outcomes.

the race for new talent

The local workforce still faces significant skill gaps to keep up with business requirements and technological developments.

The national talent gap is, arguably, one of the biggest challenges that Malaysia will face in 2023. Companies in different sectors struggle to recruit and retain employees, with about 80% of employers we work with reporting talent and skills shortages as their top recruitment challenge.

start them young

To ensure a steady pipeline of skilled talent to sustain our growth in Malaysia, we encourage employers to partner with schools to expose students to career opportunities in manufacturing as early as possible. This would help garner more interest within the younger population and encourage them to enrol in manufacturing-related programmes as they grow older.

Internship programmes should also focus around developing unconventional technical skills among the youths. They should be given the opportunity to apply their knowledge during vocational training so that they can connect the dots between their curriculums and the world of work. Internship programmes also serve as an effective recruitment channel for employers to quickly secure high-quality talent before they graduate.

Partnering with schools also strengthens organisations' employer brand and helps increase awareness among future job seekers about the types of training and development opportunities the company offers.

give candidates a chance

Considering the labour shortage, companies should review their candidate evaluation and selection processes in securing high-potential talent.

Hiring someone with good learning potential but who may not necessarily check all the boxes is better than leaving the seat empty. Hiring managers should also work with their HR colleagues to develop a comprehensive onboarding programme, to bring new hires up to speed as well as deepen their capabilities along the way.

This approach establishes a positive impression in the employee's mind and can help strengthen your employer branding. Employees who enjoy learning and working with their bosses are likely to share their experiences with their peers and networks through word-of-mouth, giving the employer a long-lasting brand presence.

new visa schemes will attract more global talent and investment

To address the acute local talent shortage, Malaysia seeks to attract more foreign investments and global talent with its new visa schemes.

The [Malaysia Premium Visa Programme](#) is expected to attract at least 1,000 business owners in its first year. 'The premium visa programme will spur economic growth, generate income, and open more job opportunities. We are confident it will attract global businessmen to not just reside in Malaysia, but to also invest and run their businesses here,' said Minister of Home Affairs Datuk Seri Hamzah Zainudin [in a press conference](#).

Issued by the [Malaysia Digital Economy Corporation \(MDEC\)](#), the [digital nomad pass](#) will allow remote workers worldwide to work, live, and travel in Malaysia. This would help attract global talent to Malaysia and encourage them to explore the local growth opportunities that companies could offer.

These new initiatives also will help facilitate knowledge transfer and spur economic growth. However, it is critical to keep an open mind. To continue positioning Malaysia as the business destination of choice, there must be actionable plans to integrate the foreign companies and talent into local communities while respecting local cultural nuances.



in-demand roles in manufacturing

On the technical side, there will be higher demand for talent supporting digitalisation and automation advancements of Industry 4.0:

- automation engineers
- service engineers
- process engineers
- real-time data analysts
- data modellers
- sourcing analysts
- preventive maintenance managers
- demand planning managers
- sourcing strategists
- sourcing specialists
- logistics managers with Halal certification

On the commercial front, there will be greater focus on these key digital occupations to drive business-to-consumer (B2C) engagement and growth:

- digital marketing managers
- digital content strategists
- SEO specialists
- media planners
- social media managers

2023 talent expectations.

Despite the impending global recession in 2023, people remain open to switching employers. The best strategy for any company is to engage and attract talent with the right intention and mindset.

Talent who presents clear and thought-out reasons on why they want to change employers are the ones who know for certain what they want and desire in their next roles.

For example, they may look for opportunities to work on new projects and learn from other experts if they face career stagnation. Some might also pursue a role to acquire a specific skill they feel lacking.

Beyond asking talent about their past experiences and what they can bring to the table, employers and hiring managers should also find out what candidates wish to learn in the new job to understand their intentions and motivators to change careers.

Employers would have a higher chance of securing the talent if they are confident of meeting their career goals. It would also help companies create better learning experiences for their employees as they look to develop their skills and competencies further.

compensation and benefits

According to the [Randstad Employer Brand Research](#) outlined in our Reimagine Work white paper, salary and benefits are among the top considerations for job switchers in Malaysia. In 2023, talent in the manufacturing sector expects a 10% to 15% salary increase when they switch employers.

In a candidate-short market where job seekers hold the power to negotiate, employers must be prepared to meet new salary expectations.

Aside from a competitive salary, employers should consider a more comprehensive remuneration package that includes other meaningful benefits and incentives, which do not necessarily have to be monetary. Flexible working arrangements, health and wellness benefits, and a robust career progression plan could add value to the compensation package beyond salary.

learning and development

Our research consistently highlights the gap between learning and development expectations and the reality.

Considering the rapid digitalisation in Industry 4.0, providing learning and development opportunities will benefit the employer as well. Employees who have access to learning programmes to upskill are more productive and ready to take up new responsibilities and roles within the organisation.

Upskilling is not a one-size-fits-all solution, as varying employee demographics have distinct learning needs. Instead of putting everyone through the same training roadmap, companies have to provide a more customised learning experience to ensure equitable growth within the company.

Besides internal training, employers can also extend their learning and development offerings through partnerships with universities and other educational institutions. This may include employees' leadership, management, strategy development and design thinking skills.

These programmes bring together people from different industries and organisations, allowing your employees to grow their network and learn best practices from their peers. These training opportunities also help drive employee productivity as they encourage workers to take an outside-in approach to problem-solving and improving internal processes.

Alternatively, companies can work with third-party providers like [Randstad Risesmart](#) for customised, cost-effective training and work-life coaching programmes to build an engaged and high-performing workforce.

win with employer branding

Companies need a proper employer brand marketing strategy to attract and retain the right employees. Here are some tips to improve your employer branding in 2023.

know what skills and personality attributes thrive in your organisation

It is critical to ensure that the talent can fill the skills gap and work well with others. To attract the right candidate, clearly define the skills you need in your job advertisements, as well as ask interview questions about their personality traits to evaluate if they would integrate well in your organisation.

improve the interview process

Whether you are hiring them or not, candidates expect a positive experience from the moment they submit their job application.

Prepare your hiring managers to share information about the company's business goals, organisation and team culture as well as job responsibilities. Sharing such information during the interview helps manage expectations and makes candidates feel that the company is organised.

Even if you do not have the intention to hire them, make sure you reply to them with feedback or a legitimate reason why they were not considered for the role. Maintaining these relationships would motivate them to return to the company once they are more prepared to meet your expectations or refine their job search strategy for an employer that suits them better.

work on feedback

When conducting employee surveys, it is important to design a feedback loop so that employees feel heard. Business and HR leaders should always communicate the improvements they are acting on based on the feedback so that employees understand the value of participating in employee surveys.

Having a formal feedback platform also helps grow your employer brand because it lets employees know that you care enough to help make things better for them so that they can focus on delivering quality work.



salary snapshot technical roles.

roles.	years of experience	low	medium	high
sourcing analyst	4 - 8	5,000	7,500	10,000
buyer	4 - 8	5,000	7,000	9,000
consumer insights manager	4 - 10	7,000	12,000	18,000
warehouse & logistics manager	10 - 15	8,000	12,000	17,000
procurement manager	10 - 15	9,000	13,000	18,000
planning manager - demand / supply	10 - 15	11,000	13,500	16,500
supply chain manager	10 - 15	12,000	15,000	18,000
automation / electrical engineer	5 - 10	5,000	8,000	12,000
regulatory affairs manager	4 - 8	7,000	13,000	18,000
service engineer	2 - 5	4,800	7,000	12,000
project manager	6 - 12	9,000	14,000	21,000
HSE manager	10 - 15	7,000	12,000	18,000
continuous improvement manager	10 - 15	10,000	14,000	22,000
R&D manager	7 - 12	9,000	11,000	15,000
head of engineering / maintenance	10 - 15	12,000	16,000	21,000
quality manager	10 - 15	8,000	13,000	18,000
production manager	10 - 15	8,000	11,000	15,000
plant manager / operations manager	12 - 20	14,500	24,500	32,000
general manager / operations director	18 - 25	20,000	38,000	40,000
chief executive officer / managing director	20 - 25	30,000	55,000	85,000

Figures are in MYR and based on a basic monthly salary of a permanent role (not including AWS or fixed/variable bonus)

salary snapshot commercial roles.

roles.	years of experience	low	medium	high
clinical application specialist	2 - 6	4,000	6,300	8,000
key account manager	4 - 8	8,000	10,000	13,000
performance marketing manager	4 - 9	7,000	11,000	14,000
consumer insights manager	4 - 10	8,000	14,000	18,000
trade marketing manager	6 - 10	9,000	13,000	17,000
product sales representative / specialist	1 - 5	3,300	6,800	11,000
head of marketing	12 - 25	18,000	27,000	36,000
brand manager	5 - 8	8,000	11,000	14,000
content specialist / content writer	1 - 5	3,200	5,800	9,000
ecommerce manager	5 - 15	11,000	17,000	23,000
area sales manager	5 - 7	7,000	9,000	12,000
business development manager	3 - 8	6,000	11,000	18,000
SEO specialist	3 - 5	3,800	5,000	7,800
digital marketing manager	4 - 12	9,000	14,000	23,000
account manager (advertising)	2 - 4	5,000	8,000	12,000
regional sales manager (consumer)	6 - 12	12,000	15,000	17,000
national sales manager	8 - 10	15,000	18,000	22,000
head of sales	9 - 18	20,000	27,000	38,000

Figures are in MYR and based on a basic monthly salary of a permanent role (not including AWS or fixed/variable bonus)



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& engineering

construction.

The new announcements and continuations of domestic infrastructure developments, particularly in the railway industry, are poised to boost Malaysia's economy.

The [Mass Rapid Transit 3 \(MRT3\) Circle Line](#), the final piece to complete Kuala Lumpur's urban rail network, will be fully operational by 2030. Aside from being a railway project, the MRT3 Circle Line is a high-impact project that is designed to drive economic growth and productivity, bringing jobs closer to the people, and vice versa.

Similar high-impact railway projects include the [Light Rail Transit Line 3 \(LRT3\)](#), which will connect two million people between Bandar Utama and Klang by 2024, extending rail connectivity to the Western Corridor of Greater Kuala Lumpur and Klang Valley.

On the other hand, the [East Coast Rail Link \(ECRL\)](#) project will connect Kota Bharu in Kelantan to Port Klang in Selangor, linking the East and West Coasts of Peninsular Malaysia. Linking the north and south of Malaysia's Peninsula will be the [Gemas-Johor Bahru \(Gemas-JB\)](#) double-track electric rail line, slated to be completed in 2023.

foreign investments boost economic growth

With all these infrastructure developments in progress, Malaysia is well-positioned to be an attractive destination for foreign direct investments (FDI), further propelling the country's economic growth.

In the first half of 2022, Malaysia attracted [RM123.3 billion](#) of approved investments in the manufacturing, services and primary sectors. An increasing number of multinational corporations (MNCs), such as Intel and Microsoft, are looking to expand their presence in Malaysia.

At 70.9% and equivalent to [RM87.4 billion](#), FDIs were the major contributors to the total approved investments. The approved investments for the first half of 2022 alone can generate up to 57,770 new jobs in the country.

The [strategic and focused approach](#) to trade and investment missions (TIM) aims to capture funds in high technology, innovation, and research-driven industries, which will complement and strengthen the country's industrial ecosystem.

These investments and pro-business policies have attracted MNCs to construct data centres and manufacturing plans in Malaysia, particularly mega-factories for [semiconductors](#) and [electric vehicles \(EV\)](#). It is pivotal for the construction industry to meet these development demands so Malaysia can, in turn, fulfil its obligations to investors and businesses.

lack of talent slows down construction

Despite these opportunities, the lack of talent has slowed down the expected progress in the construction sector. According to Master Builders Association Malaysia (MBAM), the construction industry currently faces a [shortage of 550,000 workers](#).

This continued labour shortage stifles the construction sector's recovery, leading to many firms investing heavily in advanced technologies to automate or replace some of the roles that are no longer in demand.

However, even as robotics and analytical software drive greater efficiencies, the talent pool is still not fully equipped with the right skills to use these new technologies.

While it may seem like a chicken-and-egg situation of whether companies should invest in digital transformation or workforce development first, the short answer is that both should happen simultaneously.

Companies that have invested in new software and hardware should use the opportunity to create training programmes for their workforce through on-the-job and classroom training. Employees also transition to unlearn and relearn skills during this period as they change their mindset and learn new ways to be more productive, creative and innovative.

Digital-savvy companies are more likely to spark interest among the younger generations of workers, who often look for future-forward and innovative employers to work for.



2023 construction trends.

commercial property development

offices

Due to the US dollar's strength against the Malaysian ringgit, more foreign companies are either moving their offices or expanding their operations in Malaysia.

Many companies have also been rethinking their future work flexibility strategy and are looking to move to [co-working spaces](#). Many co-working companies are investing in prime office locations to attract start-ups and small firms that are looking to conduct their businesses more flexibly.

data centres

Malaysia is a [preferred data centre location](#) in Southeast Asia, after Singapore and Indonesia, attributed to its solid network connectivity and high internet penetration rate.

Between 2022 and 2027, MNCs will invest [more than US\\$2 billion](#) in developing data centres across the country. Cyberjaya remains the nexus for data centre development, with 14 facilities supporting [75% of the existing capacity in Malaysia](#). Other hotspots for data centre development include Kuala Lumpur, Johor, Shah Alam and Penang.

manufacturing plants

Malaysia, known as [Southeast Asia's semiconductor hub](#), is an attractive location for manufacturing plant development. Electric vehicle (EV) producers continue to build and develop a robust domestic EV assembly industry.

Developing these new and technologically advanced manufacturing plants will drive innovation within the construction and property industry, requiring more highly skilled workers.

shopping malls

The COVID-19 pandemic [stalled the opening](#) of some new shopping malls. Despite the current lack of property and leasing management talent, we can still expect a rise in the number of new shopping malls as they serve as prime spaces where people congregate to shop and dine.

residential property development

With inflation and rising urban populations, the biggest discussion around the world is [whether people can still afford to own homes amid rising prices](#). In Malaysia, it has always been important to own a house—it is not just a roof over your head; it is also an indicator of personal success and achievement.

New government-announced residential developments near railway stations attract potential homebuyers who want easy access to shopping malls and the office, an alternative to being stuck in the city's congested roads.

Residential property will continue to boom despite overhang and unsold units. According to NAPIC's data, the situation has improved amid market recovery. In the first half of 2022, NAPIC recorded [34,092 overhang units](#) worth RM21.73 billion, down by 7.5% and 4.6% in volume and value, respectively, compared to the period before.

However, the challenge of unsold units runs deeper than market pricing. Even though many buyers are prepared to invest in an asset, they have a tighter budget attributed to rising cost of goods and net income loss during the COVID-19 pandemic. As a result, buyers are more selective in their purchases, with many considering an accessible location and future property value before deciding to buy.

demand for green buildings

Malaysia has committed to [cutting its carbon intensity by 45%](#) by 2030. Key approaches to reduce the country's carbon emissions include [mainstreaming climate resilience into urban planning and infrastructure](#), optimising energy use and water consumption, and adding green spaces.

Environmentally-conscious home buyers and companies are already looking into [investing in green buildings](#). Aside from reducing environmental impact, green buildings can also [lower operational costs](#) through efficient resource use.

The demand and push for green buildings to reduce total carbon emissions have also escalated in recent years. In the future, we expect more development companies to register and certify their green projects through the country's industry-recognised green rating tool, the [Green Building Index \(GBI\)](#).

To date, there are [1,105 green projects](#) registered with the GBI, including townships, residences and industrial parks. Of these projects, 625 have been GBI-certified. Notable green projects include [Queens Residences](#) in Penang, [an integrated energy hub](#) in Kidurong Industrial Area, and [an IKEA distribution centre](#) in Port Klang.

use of technology and automated processes

There is increasing use of the Industrialised Building System (IBS) technique and technology in the construction industry to assist in better design, fast-track development timelines, optimise resources as well as reduce errors.

To support companies' human capital development, the Construction Industry Development Board (CIDB) Malaysia offers [IBS Programmes](#) to properly train and upskill professionals such as architects, engineers and surveyors involved in construction projects.

Aside from IBS, other advanced technologies, such as drones and 3D modelling, are used for accurate mapping and building design to assist property developers in making better decisions.

In Malaysia, drones can [inspect buildings and survey job sites](#), while 3D modelling [visualises building projects](#) so workers can virtually check construction progress without going on-site. Robotics like Boston Dynamic's [Spot](#) will also gain more interest as companies seek greater efficiencies while protecting the health and safety of their workers in dangerous environments.

While these advanced technologies automate construction processes, they do not threaten jobs since job growth would more likely offset job losses due to automation. The World Economic Forum (WEF) [projects](#) that the midpoint automation scenario will result in additional labour demand of 1.5 million net new jobs worldwide.

All these technologies do for the sector is make life easier for existing workers by taking over the menial, labour-intensive work and helping them deliver high-quality performance, especially if we upskill them to do their jobs better.

the race for new talent

A diminishing talent pool continues to plague the construction industry, and companies scramble to hire fresh talent to fulfil project obligations.

The number of local graduates needs to increase to cater to Malaysia's high demand for construction. While there were [5.61 million graduates in 2021](#), they were not all seeking employment in construction. The number of [graduates outside the labour force](#) (841,300) far exceeds the [estimated shortage of workers](#) in the construction industry (550,000).

The key here is to encourage fresh graduates and other junior candidates to consider construction as a viable career option rather than view it as a semi-skilled or low-skilled occupation.

Students need to be educated from a young age that high-value roles exist in the construction sector, including those of architects, engineers, technicians, and project managers, just to name a few.

Furthermore, technological developments will also create new in-demand jobs that need to be integrated into the industry framework, which could be exciting for the next generation to chart.

Organising school tours and offering internships before graduates join companies might attract them to construction roles. The Malaysian Government is now also [giving serious attention to STEM education](#) (science, technology, engineering, and mathematics education) to produce a skilled workforce ready for the Fourth Industrial Revolution (I4.0).

Specific to the construction industry, large organisations with resources, huge book orders and robust succession planning succeed in implementing effective hiring strategies. Small to medium-sized construction firms with no such resources can still compete and attract top talent with strong employer branding, diverse projects, meaningful benefits and continuous upskilling.

For flexibility in cost control and resource planning, many companies also seek new talent on a project basis. However, there is still a strong preference for permanent roles among talent who are seeking better job and income stability.

Companies must implement a different talent engagement strategy to attract project workers. Besides the opportunity to work on exciting projects under 12- to 24-month employment contracts, companies can also promote training programmes, completion bonuses and equal healthcare benefits. Following performance measurements, the potential to convert into a full-time staff would also be highly attractive to talent.



in-demand roles in construction

Given the uptick in domestic infrastructure development, there will be massive demand for talent to jumpstart and complete these projects. Some of the most in-demand positions that many companies are hiring for include:

- electricians and electrical engineers
- construction project managers
- civil engineers
- equipment operators

2023 talent expectations.

compensation and benefits

Many job seekers in the construction sector have an acute knowledge of the lack of talent in the market. Therefore, most would only consider a job opportunity with a higher remuneration package.

While compensation and benefits have been relatively stagnant over the past few years, especially with the COVID-19 pandemic, things are starting to change. We now see companies open to paying 15% to 30% more to secure the right talent.

While this is a significant bump in pay grade in a traditional sector like construction, we remain confident that employers will be able to meet current salary expectations. As the economy grows, project values also increase and correspondingly, budgets should increase to meet talent's rising salary expectations.

Besides salary, there is also the question of work flexibility that construction firms cannot offer. This poses a challenge as younger talent who desire flexibility would change industries to work in professional services instead, further depleting the workforce pool that construction firms can access.

Companies are, therefore, compensating for the lack of work flexibility in other ways to maintain a positive employee experience and support employees' work-life balance. For instance, many organisations are arranging more employee engagement activities for their staff to come together and celebrate milestones. Some companies also offer shorter working hours or more paid time off so their employees can have more personal time for a balanced work life.

Another area where employers can improve is health and safety. Ensuring a safe and healthy work environment in construction to reduce workplace injuries begins with training. When companies train employees to work and respond appropriately in dangerous environments, they are less likely to get hurt. They can focus more on their jobs, with the assurance that they will be safe to go home to their families.

projects and learning opportunities

Talent in the construction sector seeks to develop more comprehensive portfolios through different project exposures and experiences. Most construction professionals work on similar projects throughout their careers, hence new developments present unique opportunities for them to take on other types of projects.

Aside from high-rise buildings or shopping malls, talent can now work on data centres or highly digitised manufacturing plants. This exposure will help companies nurture all-rounded employees, making it easier for employers to shift resources flexibly based on market needs and business focus.

win with employer branding.

In this tight construction labour market, it is crucial to maintain a positive employer branding to attract top talent, retain current employees and remain competitive.

[a positive employee experience begins at first contact during the job application process](#)

Employers should ensure that they respond to every candidate's application, regardless of the outcome or talent choice they make internally. Our experience has shown that this level of transparency and proactivity builds trust, which would help companies establish a credible employer brand to attract future talent.

With the sea of construction companies vying for the same talent pool, well-crafted job advertisements let candidates know your company is actively hiring and provide a platform to showcase your brand identity and values.

Job advertisements should be easy to find online, simple to understand, and highlight key job and employee benefits. That way, it will be easier for candidates to decide whether they want to work for you instead of your competition. Having a detailed and accurate job advertisement is one of the first steps towards attracting quality candidates.

salary snapshot.

roles.	years of experience	low	medium	high
engineer + QS	-	3,000	4,500	6,000
safety manager	10	7,000	10,000	15,000
QA/QC manager	10	7,000	10,000	15,000
construction manager	5	8,000	10,000	13,000
planning manager	10	9,000	14,000	20,000
contract manager	10	9,000	13,000	17,000
project manager	10	9,000	14,000	18,000
project director	20	20,000	27,000	35,000
general manager	20	25,000	30,000	40,000
chief executive officer	30	35,000	42,000	50,000

Figures are in MYR and based on a basic monthly salary of a permanent role (not including AWS or fixed/variable bonus)

about us.

Randstad is one of the world's largest recruitment and HR services providers. With operations located across Hong Kong SAR, mainland China, Singapore, Malaysia, India, Japan, Australia and New Zealand. Randstad Malaysia specialises in both permanent and contract recruitment (under Randstad Talent) and helps organisations across industries find the best talent in accounting & finance, construction, property & engineering, human resources and business support, information technology, sales, marketing & communications, as well as supply chain & procurement.

Human connection is at the heart of our business. Our personal approach, supported by state-of-the-art technology, is what sets us apart in the world of work. We express this with our brand promise: Human Forward.



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