Established since 1993 in Singapore, EPS is a leading recruitment and outsourcing specialist offering INNOVATIVE, COST-EFFECTIVE and VALUE-ADDED services to our customers and business partners in the Asia Pacific region. Our Malaysian operations started in Year 2000 and below are the range of services that we offer:

- Recruitment & Executive Search
- Manpower Outsourcing Services
- Recruitment Process Outsourcing

Office Locations:
Penang – Menara Boustead @ Gurney Drive
Kuala Lumpur – KL Sentral
Kuala Lumpur - UOA Bangsar
Johor Bahru – City Square Office Tower
Singapore – International Plaza

Website: www.epscs.com
Topics

• Government Initiatives
• Hiring Trends for 2014
• Hiring in Malaysia – the law, the policies and the methods
• Hiring Challenges and Solutions
Quick Facts on Malaysia

- **Population**: 30 million (Mar 2014), growth of 1.5% per annum
- **Ethnic Groups**: Bumiputras 67.4%, Chinese 24.6%, Indians 7.3%, Others 0.7%

- **Per capita income**: RM34,650 (2014 est.)
- **GDP**: growth rate: 5.2% (2014 est.)
- **Inflation (CPI)**: 3.2% (2014 est)

- **Literacy**: 93.5%
- **Labor force**: 13.99 million (2014 est.)
- **Unemployment Rate**: 3.3% (2014 est.)
- **Labor force by occupation**: Agriculture: 11%, Industry: 36%, Services: 53%

- Multi-lingual, culture and backgrounds
- High literacy, trainable, educated and productive workforce at competitive cost
- Malaysia ranked 3rd in SSO for 8th consecutive years (A. T. Kearney)
- Kuala Lumpur ranked 3rd in the world for its low cost of doing business (PWC, Cities of Opportunities)
- Kuala Lumpur ranked 4th best shopping city (CNN)
- Strategic location – Center to ASEAN countries, Disaster Free, Stable Economy
Government Initiatives

1. Supportive Government Policies & Programs

2. Economic Initiatives
   - Five Economic Corridors
   - Central Region
   - Multimedia Super Corridor (MSC)
1. Supportive Government Policies & Programs

Employment of Expatriates

• Relatively easy especially for skills and languages which are not available in Malaysia.

Lower Tax Scheme

• 15% tax rate scheme for knowledge workers residing and working in Iskandar

Training Programs / Funds

• HRDF, MSC, TalentCorp, MIDA, IRDA
• to encourage training, reskilling and upskilling

TalentCorp

• Structured Internship Program (SIP), Returning Expert Program (REP), Residence Pass-Talent (RP-T)
Talent Corp Malaysia

Established in 2011 to address the availability of talent in line with the needs of the country’s economic transformation.

- **Expatriate: Residence Pass-Talent**
  - Being able to work and live in **Malaysia** for up to **10 years**.
  - Being able to change employers without having to renew the pass.
  - Spouse and children (under 18 years old) are eligible for the pass.
  - Dependents over 18 years of age, parents and parents-in-law are eligible for a **5-year Social Visit Pass**.
  - Spouse can also seek employment without the need to apply for an Employment Pass.
  - The spouse and children (under 18 years old) are also eligible to study.

- **Malaysian Abroad: Returning Expert Program**
  - Optional Flat Tax Rate of **15%** for Employment Income for 5 years.
  - Tax Exemption for all personal effects brought into Malaysia.

- **Local Malaysians: FasTrack and Structured Internship Program**
  - 2 locally assembled/manufactured Completely-Knocked-Down (CKDs) vehicles tax-free.
  - Foreign spouse/children are eligible for Permanent Resident (PR) status within 6 months upon submission of complete application to Immigration Department of Malaysia (notwithstanding Sabah and Sarawak).
2. Malaysia’s Economic Initiatives

Strategic investment via the five economic corridors under the Ninth Malaysia Plan:

– Northern Corridor Economic Region
– Iskandar Malaysia
– East Coast Economic Region
– Sarawak Corridor of Renewable Energy
– Sabah Development Corridor
Northern Corridor Economic Region

<table>
<thead>
<tr>
<th>Sectors</th>
<th>Tourism, Manufacturing, Agriculture, Logistics, Education</th>
</tr>
</thead>
</table>

- Covers Perlis, Kedah, Penang, Perak
- Penang takes the lead amongst 4 states due to good connectivity, infrastructure and existing multinational manufacturing plants.
- Invest Penang – driving in new investments
- Future SSO and BPO hub
<table>
<thead>
<tr>
<th>Iskandar Malaysia (Johor)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sectors</strong></td>
</tr>
</tbody>
</table>
| **Source**               | www.irma.com.my  
                           | www.iskandarmalaysia.com.my |

- Qualifying activities for IRD status companies – creative, education, financial advisory, healthcare, logistics, tourism
- Unrestricted employment of foreign workers
- 15% tax scheme for knowledge workers
- Foreign knowledge workers eligible for duty free car for own use
- Exemption from Foreign Investment Committee (FIC) rules
- Eligibility for corporate tax incentives up to 10 years
## East Coast Economic Region

<table>
<thead>
<tr>
<th>Sectors</th>
<th>Tourism, Petrochemical, Manufacturing, Agriculture, Education, Culture &amp; Heritage</th>
</tr>
</thead>
</table>

## Sarawak Corridor of Renewable Energy

<table>
<thead>
<tr>
<th>Sectors</th>
<th>Manufacturing, Petrochemical, Tourism, Aluminum, Glass, Palm Oil, Fishery &amp; Aquaculture, Livestock, Marine, Timber</th>
</tr>
</thead>
</table>
## Sabah Development Corridor

<table>
<thead>
<tr>
<th>Project based</th>
<th>1. Kinabalu Gold Coast Enclave (KGCE) - Kota Kinabalu</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2. Integrated Livestock Valley (ILV) - Keningau</td>
</tr>
<tr>
<td></td>
<td>3. Sabah Agro-Industrial Precinct (SAIP) - Kimanis, Papar</td>
</tr>
<tr>
<td></td>
<td>4. Palm Oil Industry Cluster (POIC) - Lahad Datu</td>
</tr>
<tr>
<td></td>
<td>5. Sabah Oil and Gas Industrial Park (SOGIP) - Sipitang</td>
</tr>
<tr>
<td></td>
<td>6. Sandakan Education Hub - Sandakan</td>
</tr>
<tr>
<td></td>
<td>7. Marine Integrated Cluster (MIC) - Semporna</td>
</tr>
</tbody>
</table>

**Source**  
Central Region

- Greater KL and Klang Valley – 1 of the 12 National Key Economic Areas (NKEAs)
- Regional hub for Business, Innovation and Talent
- Government offices, bulk of the HQs and companies are situated. Host to more than 300 MNCs
- Telco, ICT, Shared Services, BPO Hubs, Oil, Gas & Energy, Logistics, Manufacturing, Financial Services, Retail, Media and Entertainment, Insurance, Business Services, Healthcare & Science, Education, Tourism

- [www.investkl.gov.my](http://www.investkl.gov.my)
MSC Malaysia status is awarded to both local and foreign companies that develop or use multimedia technologies to produce or enhance their products and services, and for process development.

Cybercities: Klang Valley, Kedah, Penang, Perak, Melaka, Johor, Pahang

Some of the Bill of Guarantees (BoGs) to MSC-status companies:

1. Allow unrestricted employment of local and foreign knowledge workers
2. Freedom of ownership
3. Provide competitive financial incentives, including no income tax for up to 10 years or an investment tax allowance, and no duties on import of multimedia equipment.
Steady trend of increased hiring expected due to more Shared Service Hubs and foreign companies entering the market.

- 71% of employers expecting business activity to increase.
- 43% expect to hire more staff.
- Salary in Malaysia are expected to spike. New hires can expect 20-30% salary jump while those currently employed will be getting an average annual increment of between 5%-7% in line with the GDP.
## Top Specialization Sought Trends (2009-2013)

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Sales</td>
<td>Marketing and business development</td>
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<tr>
<td>Marketing and business development</td>
<td>Sales / Marketing (merchandising)</td>
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<td>Sales / Marketing (merchandising)</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>Customer Service</td>
<td>Computer &amp; IT (Software)</td>
<td>Customer Service</td>
<td>Computer &amp; IT (Software)</td>
<td>Engineering Mechanical</td>
</tr>
<tr>
<td>Accounting</td>
<td>Computer &amp; IT (Software)</td>
<td>Customer Service</td>
<td>Computer &amp; IT (Software)</td>
<td>Computer &amp; IT (Software)</td>
<td>Engineering Mechanical</td>
</tr>
<tr>
<td>Engineering (Others)</td>
<td>Engineering Mechanical</td>
<td>Human Resources</td>
<td>Engineering Mechanical</td>
<td>Engineering Mechanical</td>
<td>Sales / Marketing (technical)</td>
</tr>
<tr>
<td>Engineering (Electrical)</td>
<td>Human Resources</td>
<td>Top Management</td>
<td>Human Resources</td>
<td>Customer Service</td>
<td>Human Resources</td>
</tr>
<tr>
<td>Engineering (Mechanical)</td>
<td>General / Cost Accounting</td>
<td>Sales / Marketing (technical)</td>
<td>Sales / Marketing (technical)</td>
<td>Sales / Marketing (technical)</td>
<td>Human Resources</td>
</tr>
<tr>
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<td>Sales / Marketing (technical)</td>
<td>General / Cost Accounting</td>
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<td>General / Cost Accounting</td>
</tr>
<tr>
<td>General Administration</td>
<td>Maintenance</td>
<td>Computer &amp; IT (Hardware)</td>
<td>Top Management</td>
<td>Top Management</td>
<td>Top Management</td>
</tr>
</tbody>
</table>

Source: JobStreet.com
### Top 10 Hiring in Malaysia

#### Top 10 Industries

<table>
<thead>
<tr>
<th>Rank</th>
<th>Industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Manufacturing – production</td>
</tr>
<tr>
<td>2</td>
<td>ICT</td>
</tr>
<tr>
<td>3</td>
<td>Construction/ Property</td>
</tr>
<tr>
<td>4</td>
<td>Financial &amp; Banking</td>
</tr>
<tr>
<td>5</td>
<td>Wholesale &amp; Retail</td>
</tr>
<tr>
<td>6</td>
<td>Hospitality</td>
</tr>
<tr>
<td>7</td>
<td>Manufacturing – E &amp; E</td>
</tr>
<tr>
<td>8</td>
<td>Consulting</td>
</tr>
<tr>
<td>9</td>
<td>Biotech/ Healthcare</td>
</tr>
<tr>
<td>10</td>
<td>Others</td>
</tr>
</tbody>
</table>

#### Top 10 Skills

<table>
<thead>
<tr>
<th>Rank</th>
<th>Skill</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Sales</td>
</tr>
<tr>
<td>2</td>
<td>Accounting</td>
</tr>
<tr>
<td>3</td>
<td>ICT</td>
</tr>
<tr>
<td>4</td>
<td>Admin</td>
</tr>
<tr>
<td>5</td>
<td>Engineering – E &amp; E/ Mechanical</td>
</tr>
<tr>
<td>6</td>
<td>Marketing</td>
</tr>
<tr>
<td>7</td>
<td>Civil/ Construction/ Property</td>
</tr>
<tr>
<td>8</td>
<td>Manufacturing</td>
</tr>
<tr>
<td>9</td>
<td>Engineering – Industrial Services</td>
</tr>
<tr>
<td>10</td>
<td>Human Resources</td>
</tr>
</tbody>
</table>
Top Paying Industries

Oil, Gas and Energy, ICT, Science & Technology, Aerospace, and Financial Institutions

2014 Salary Guide

- Fresh Graduates – RM2.5k to RM3.2k
- Junior Executives – RM2.9k to RM5k
- Senior Executives – RM4.8k – RM7.5k
- Managers – RM7.5k and above
- General Managers – RM16k and above
- Director Level – RM25k and above
Hiring in Malaysia

Employment Act 1955

- Pro-employee policies
- Proper HR Policies, Practices, Grievances Process
- 591 Trade Unions
- Harmonious Industrial Relations – no major strikes
- Industrial Court & Labor Court
<table>
<thead>
<tr>
<th>Labor Law Guidelines</th>
</tr>
</thead>
<tbody>
<tr>
<td>Termination Notice</td>
</tr>
<tr>
<td>Wages (wef 1 Jan 2013)</td>
</tr>
<tr>
<td>Probation</td>
</tr>
<tr>
<td>Annual Leave</td>
</tr>
<tr>
<td>Sick Leave</td>
</tr>
<tr>
<td>Hospitalization Leave</td>
</tr>
<tr>
<td>Maternity Leave</td>
</tr>
</tbody>
</table>
| Working Hours                                            | Cannot:  
|                                                          | a) more than five consecutive hours without a period of leisure of not less than thirty minutes duration  
|                                                          | b) more than eight hours in one day; 48 hours a week  
|                                                          | c) work more than 12 hours in one day  
| Rest Day                                                 | Each week a rest day of one whole day |
### Overtime Pay

<table>
<thead>
<tr>
<th>Type</th>
<th>Pay Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Normal Day</td>
<td>Not less than 1.5 times of hourly pay rate</td>
</tr>
<tr>
<td>Rest Day</td>
<td>Not less than 2 times of hourly pay rate</td>
</tr>
<tr>
<td>Public Holiday</td>
<td>Not less than 3 times of hourly pay rate</td>
</tr>
</tbody>
</table>

### EPF Contribution

<table>
<thead>
<tr>
<th>Type</th>
<th>Employer</th>
<th>Employee</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>12% for &gt; MYR 5000/mth</td>
<td>13% for &lt; MYR 5000/mth</td>
</tr>
<tr>
<td></td>
<td></td>
<td>11%</td>
</tr>
</tbody>
</table>

### SOCSO Contribution

<table>
<thead>
<tr>
<th>Type</th>
<th>Employer</th>
<th>Employee</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.75% of monthly wage</td>
<td>0.5% of monthly wage</td>
</tr>
</tbody>
</table>

### Retirement Age

55 – 60 years

1. **Foreign Workers** (manufacturing, plantation, construction, services, domestic helper)

- 2 stages
  - Applications to be submitted to Ministry of Home Affairs except for domestic helpers to Immigration Department
  - 2nd stage, submit to Immigration for endorsement of pass
- Yearly renewal
- Cost of levy ranges between RM410 – RM2000 depending on sectors
- Application timeline – Approximately 8 – 12 weeks
2. **Expatriates** (Key Post, Executive Post, Non-Executive Post)

- **2 stages**
  - 1\textsuperscript{st} stage submit to relevant government bodies determined by nature of industry
  - 2\textsuperscript{nd} stage submit to the Immigration Department for endorsement of the employment pass
- **Choice of 1 or 2 years pass**
- **Cost of levy ranges from RM1200 to RM2000 per year**
- **Journey Perform (JP) with additional fees**
- **Application timeline – 3 to 5 weeks**
- **POEA for Filipino nationalities**
- **Poses a professional certification and at least 21 years of age**
Common Benefits & Perks

**COMMON STAFF BENEFITS**

- EPF & SOCSO (compulsory)
- Paid Work / Annual leave
- Sick leave (14 days)
- Maternity Leave (60 days)
- Paternity Leave (3 days)
- Compassionate Leave
- Marriage Leave
- PA / Medical Insurance
- Dental / Optical allowance
- 5 days work
- Contractual / Performance Bonus
- Hospitalization Insurance

**OTHER BENEFITS**

- Transport allowance
- Phone allowance
- Language allowance
- Data/ Internet allowance
- Health & wellbeing (gym membership, supplement)
- Annual Health check
- Insurance for spouse (family)
- Retirement Fund
- Staff discount
- Flexible work hours
- Incentive Trip
- **For Expats:**
  - Housing subsidies
  - Paid return ticket
  - Paid work permit visa
Hiring Methods

1. Talent management system
2. Online portals
3. Printed advertisements
4. Internal transfer
5. Referral Program
6. On-campus hiring
7. Social recruiting (Twitter, LinkedIn, Facebook)
8. Social/ Business Network
9. 3rd party Outsource
10. Recruitment/ Executive Search Agencies
Hiring Challenges

• **Supply & demands** (of specific skillset) of talent pool
• Mismatch of **Salary Expectations**
• **Reputation** become more important for both professionals and companies
• **Work location** tends to play a major factor for job seekers
• Weaker currency & higher cost of living causes job seekers to put **Monetary Reward** as first priority for job switch
• **Global Talent Search** by companies makes it hard to retain talents
• **Brain Drain**: 20% fresh graduates migrate to overseas.
Solutions & Retention

• Resource planning
• Hiring of expatriates
• Provide attractive monetary reward, flexi-benefit scheme
• Shutter Service / Transport allowance
• Build Company Reputation & Good Work Ambiance.
• Staff Retention Programs – Training & Development and Career advancement planning.
• Stay competitive in the job market – market intelligence
Thank You

For further queries, please email: yoonsung.cheah@epscs.com