

What Malaysians think about work today

PwC's Workforce Hopes and Fears
Survey 2022 (Malaysia report)

July 2022



Contents

Introduction	3
Key findings	4
Amid the skills shortage, Malaysian respondents recognise the worth of their talent	6
Financial reward and personal fulfillment have the biggest influence on the Great Resignation	10
Malaysian respondents are not willing to give up remote working	13
Malaysian respondents call for greater transparency in ESG considerations	16
Conclusion	19
About the survey and ‘New world. New skills.’	20
Contact us	21



How strong can an organisation be without the power of its people?

Arising from the pandemic is one of the greatest workforce challenges organisations are facing today: The Great Resignation. Why are workers leaving their jobs out of their own accord? Clear answers are needed, so that organisations can build greater trust with their employees and are better equipped to support their needs. Which is why job satisfaction is one of the key areas we explored in this year's Workforce Hopes and Fears Survey (Malaysia report), the third in a series* dating to 2020.

Our findings, which draw from 2,086 local responses, reveal the importance of pay, worth paying attention to given our global climate of economic uncertainty. But pay alone is not enough to retain employees. Doing work that feels fulfilling is just as important to employees, who cite this as a reason they may consider making a change in their work environment. We also identified certain trends we expect to see in the upcoming months amid the skills shortage, and from the results, organisations should prepare themselves for discussions around pay increase and career progression. Because skilled workers are in demand. And they know it.

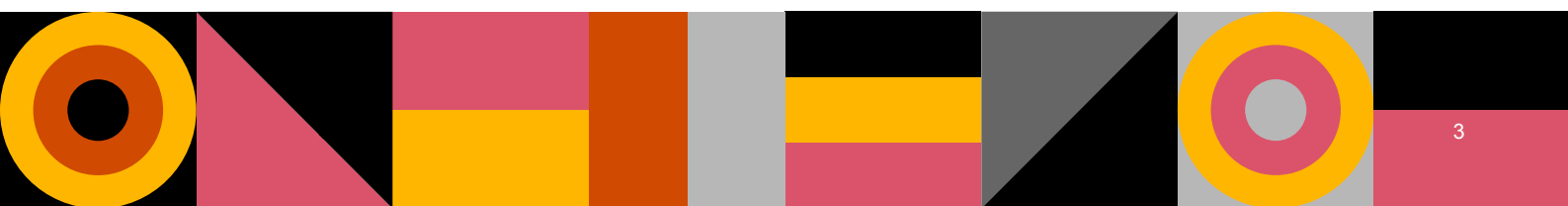
With offices reopening, our report wouldn't be complete without an exploration of employee preference when it comes to working remotely

or on-site. And it might not come as a surprise that after over two years of proving they can work from home, a full-time return to the office no longer seems feasible to our respondents, who have voiced that a hybrid model is most ideal. As organisations make work arrangement plans for the long term, this preference needs to be taken into consideration (if not already) or there's a chance organisations could risk losing key talent to competitors with more attractive workplace models.

And finally, we found that ESG considerations matter just as much to employees, and they want greater transparency particularly in how their organisation is impacting the economy, and also worker health and safety.

By looking at all the areas above holistically, we believe organisations will be in a better position to engender greater employer-employee trust, renewing and cementing their people's loyalty and commitment, which will in turn energise them to accomplish bigger business and societal goals. This will be crucial, because at the end of the day, how strong can an organisation be without the power of its people?

*Our 2020 report 'Digital resilience in a new world' was an independent report prepared by PwC Malaysia as a local version of PwC's Global 'Hopes and Fears 2019' report.



Key findings



Amid the skills shortage, Malaysian respondents recognise the worth of their talent

32%

say the country lacks people with the skills to do their kind of work.

48%

say their job requires specialist training.

32%

will likely ask for a raise in the next 12 months.

28%

will likely ask for a promotion in the next 12 months.



Financial reward and personal fulfillment have the biggest influence on the Great Resignation

59%

are satisfied with their job.

17%

are extremely or very likely to switch to a new employer in the next 12 months.

Pay is the most important factor when employees are considering a change in their work environment (**69%**). This is followed by job fulfillment (**66%**).



Key findings (cont'd)



Malaysian respondents are not willing to give up remote working

63%

say they would like some mix of remote and in-person work.

18%

prefer to work remotely full-time, but only 13% expect their employer to adopt this approach.

60%

expect their employers to adopt some mix of remote and in-person work.

27%

expect their employer to adopt full-time in-person working, but only 19% prefer this.



Malaysian respondents call for greater transparency in ESG considerations



Only **31%**

say their company helps them minimise the environmental impact of their job.

There's a slight disconnect between the importance employees place on transparency and their perception of their employers' transparency.

An organisation's impact on the economy (e.g. jobs, taxes, wages) is the most important when it comes to transparency (**65%**), followed by the organisation's record on protecting worker health and safety (**64%**).



Amid the skills shortage, Malaysian respondents recognise the worth of their talent

There's been no lack of discussion on the skills shortage, and it appears Malaysian respondents believe the scarcity of skills is a problem we're facing here, with 32% saying the country lacks people with the skills to do their kind of work (vs 29% [globally](#)¹). Energy, Utilities and Resource; Health; Financial Services; and Industrial Manufacturing are the top 4 industries where this issue is prominent, based on the profile of local respondents.

Against this backdrop, Malaysian respondents are recognising the value of their talent, as nearly half of our local respondents (48%) strongly or moderately agree that their job requires specialist training, consistent with [Global's 49%](#)².

With this confidence in their abilities, it's not surprising that in the next 12 months, 32% of Malaysian respondents are extremely or very likely to ask their employers for a raise, while 28% are extremely or very likely to ask for a promotion. Conversations around pay and progression can be delicate, but employers need to be prepared to have them, especially now, given employees are feeling empowered to broach the subject. Clarity on an organisation's performance management framework would help facilitate these discussions, as employees deserve to have a clear understanding of how their work is linked to remuneration and advancement opportunities. In some cases, organisations may even have to review how their employees are recognised, as this may be the difference between whether an employee stays or leaves.

^{1,2} [Global Workforce Hopes and Fears Survey, PwC, 2022](#)

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Malaysian respondents are worried about their digital skills as the upskilling gap persists

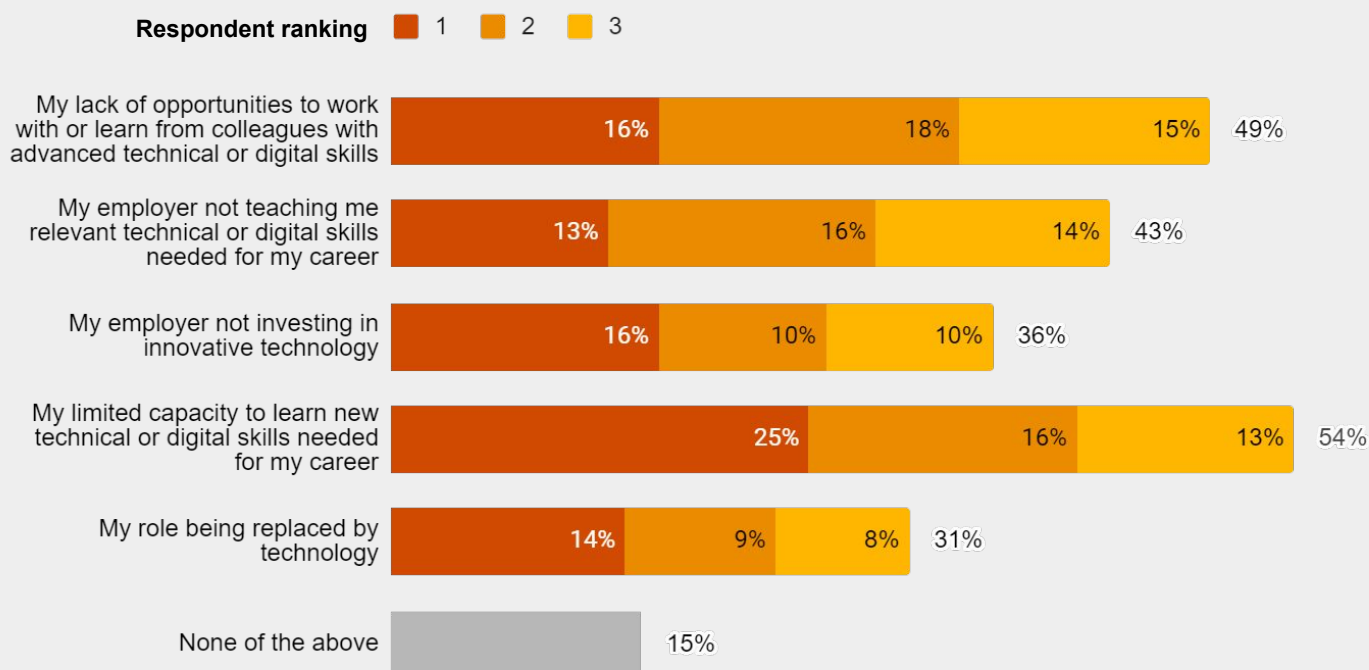
In our [2021 survey](#)³, 57% of local respondents believed it's likely that their job will be made obsolete in the next 5 years because of technological advancements. That fear appears to have decreased, with our current survey reporting that 31% of local respondents are concerned about their role being replaced by technology in the next three years.

That being said, a worrying 54% are concerned about their limited capacity to learn new technical or digital skills needed for their career - a figure higher than our global

average of 37%. Our findings indicate there is a gap between the upskilling expectations of employees and the reality of how organisations may be developing their people. This is illustrated by the fact that 43% of respondents say they are concerned about not getting relevant training related to technical or digital skills from their employer, while 49% worry about the lack of opportunities in working with or learning from colleagues with advanced technical or digital skills.

³ [Hopes and Fears 2021 \(Malaysia report\). PwC Malaysia, 2021, pg. 5](#)

When you think about technology's impact on your job over the next three years, what are you most concerned about?



Note: Percentages show the number of respondents that ranked each option from 1-3.

Malaysian employers are addressing the skills and labour shortages by upskilling, supporting employee well-being, and increasing wages

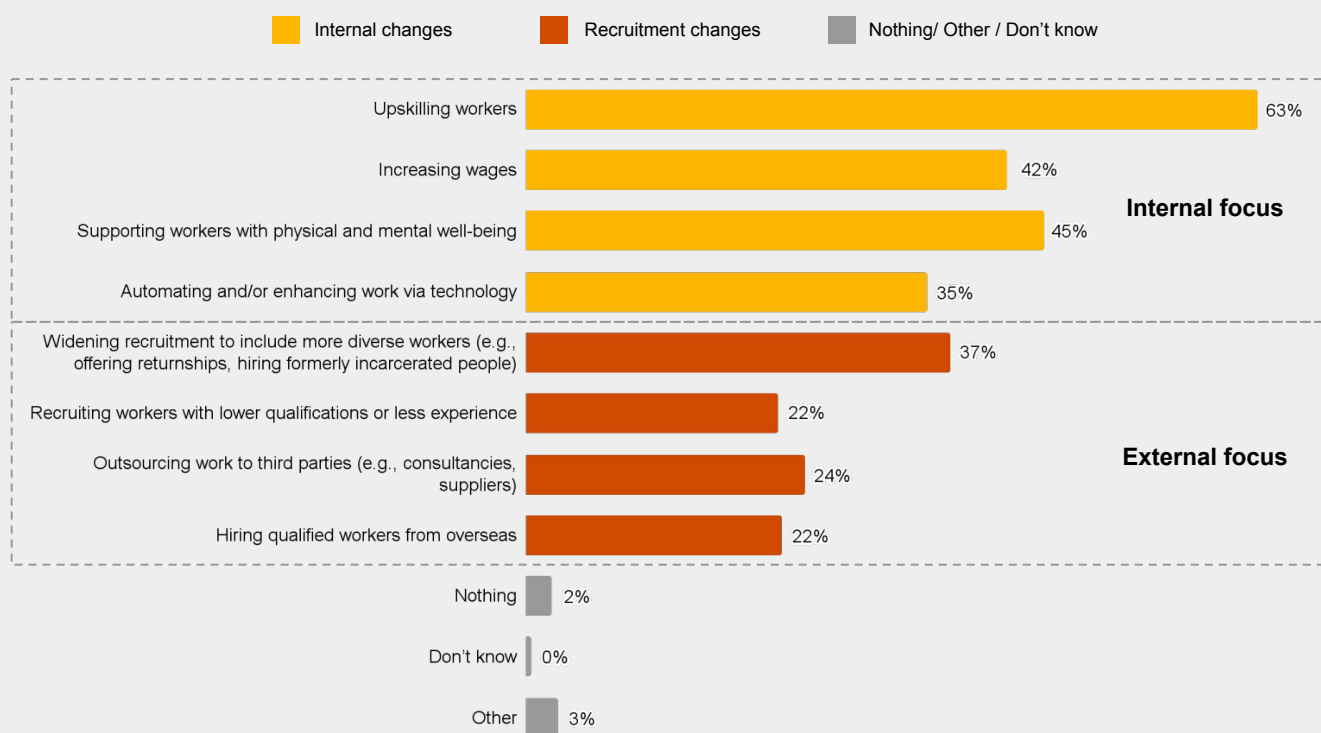
With employees voicing their concerns about the development of their technical and digital skills, organisations should see this as an opportunity to invest more in upskilling their workforce.

The good news for Malaysia is that employers here seem to be acknowledging this, in fact, more so than our global respondents, with 63% saying their company is upskilling compared to [40% globally](#)⁴. While that figure is promising, it's worth highlighting that training relevancy would be a key determinant of whether the upskilling initiative makes an impact, because as we've just covered, that's

what employees are asking for in the name of their career (pg. 7). And as upskilling would temporarily take employees away from their day-to-day tasks, it's understandable that they'd want to spend their time learning something they can apply to the responsibilities of their job. This is where a meaningfully designed [upskilling programme](#) needs to come into play, and organisations can make it a point to tailor their programmes based on their business needs by first assessing where the skills gaps and mismatches are.

⁴ [Global Workforce Hopes and Fears Survey, PwC, 2022](#)

What, if anything, is your employer doing to address shortages in skills/labour?



Note: Question posed to respondents who agreed their country lacks people with the skills to do their work.

Upskilling alone is not enough to attract and retain key talent, and it's encouraging that 45% of respondents say their employer is supporting their physical and mental well-being, again significantly higher than the [global average of 29%](#)⁵. That number, however, could still be higher, given the [mental health crisis](#)⁶ affecting many people around the world, a crisis that has been exacerbated by the COVID-19 pandemic as well as economic uncertainties.

Make no mistake, organisations are responsible for their employees' well-being, given the significant amount of time people spend at work. To do this meaningfully, managers should make it a point to check in frequently with their team members, even organising informal chats where employees are given an outlet to talk about any challenges they may be facing. But the simplest gesture

that every employee would surely appreciate, is if they are encouraged to use up their annual leave, which they are entitled to. These undisturbed breaks are necessary for employees to recharge, and no one should ever feel guilty about needing to unplug and unwind. Well-being directly correlates with employee productivity and level of engagement at work, and organisations would do well to remember this.

⁵ [Global Workforce Hopes and Fears Survey, PwC, 2022](#)

⁶ [COVID-19 pandemic triggers 25% increase in prevalence of anxiety and depression worldwide, World Health Organisation, 2 March 2022](#)

45% say their employer is supporting their physical and mental well-being.



Increasing wages is the third most likely way in which companies are addressing the skills and labour shortages, according to Malaysian respondents. From what we can see then, there appears to be a trend of organisations focusing on what they can do internally to narrow the skills gap, as opposed to recruiting (which can span months, and require training from scratch) or outsourcing work to third parties. This may suggest that due to the volatility of the job market, organisations are prioritising measures that give them greater control over the situation, allowing them to minimise uncertainty in the management of their workforce.

Financial reward and personal fulfillment have the biggest influence on the Great Resignation

59%

are very or moderately satisfied with their job.

17%

of respondents are extremely or very likely to switch to a new employer in the next 12 months.

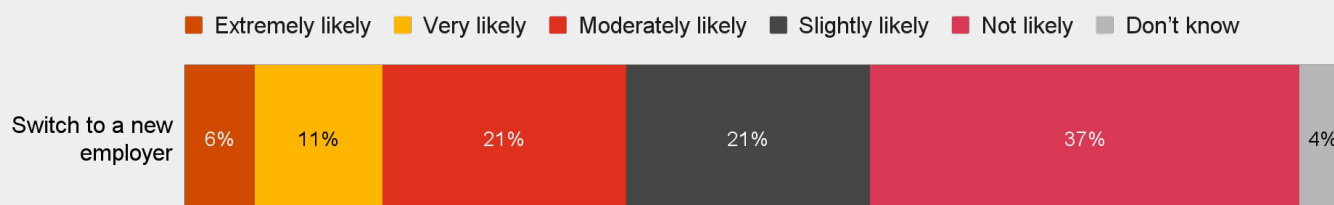
Overall, Malaysian respondents (59%) are satisfied with their job.

Gen Z (ages 18-25), however, are less satisfied with their job compared to the other age groups. There could be various reasons for this, but we can't discount the reality that the pandemic may have played a part. This cohort would have joined the workforce during lockdowns, which may have impacted the connection (or lack thereof) that they feel towards their colleagues and organisation as a whole. Perhaps for this same reason, it is why Gen Z are more concerned about being overlooked for development opportunities, based on how they expect to be working 12 months from now. As the country transitions to the endemic phase and movement is no longer restricted, organisations will have to pay closer attention to re-engaging this particular group of employees.

Gen Z employees are less satisfied with their job compared to other age groups.

While the job satisfaction finding is certainly encouraging, we can't ignore the fact that among our pool of respondents, 17% are extremely or very likely to switch to a new employer in the next 12 months. That number may seem relatively small to some, but it's nevertheless an indicator of the overall employee experience, making it reason enough to pause and reflect on why people are choosing to leave.

How likely are you to take the following actions with your employer within the next 12 months?

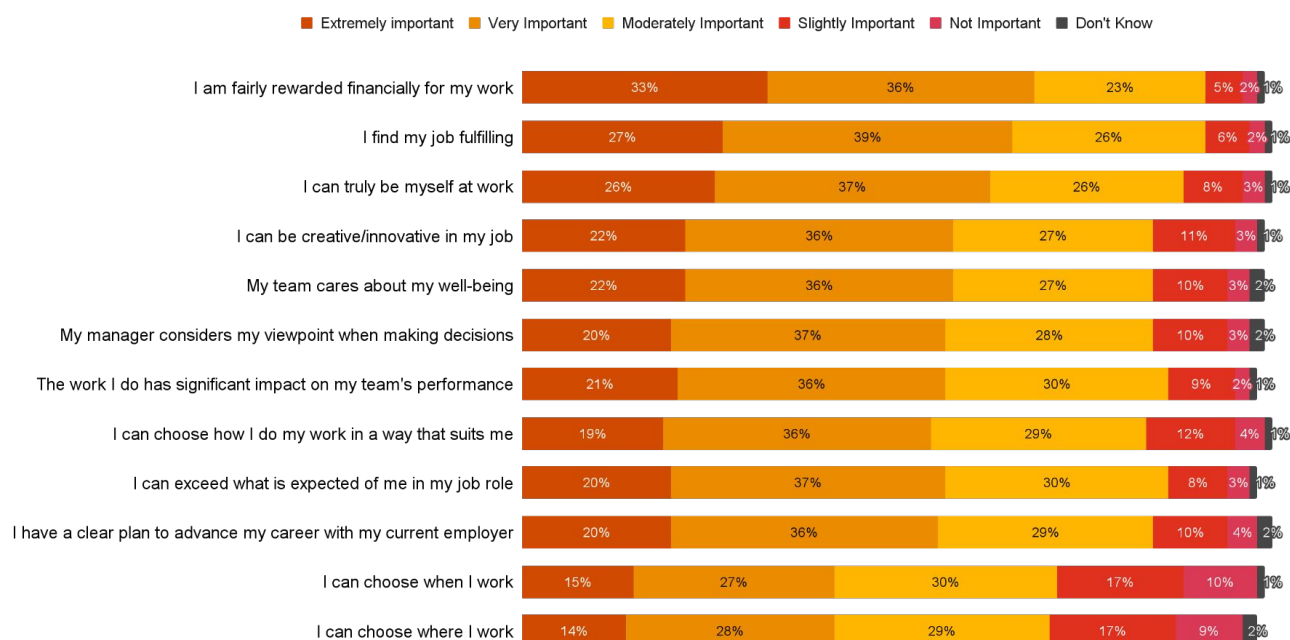


So what are employees looking for in a workplace? What are the considerations they take into account when deciding whether to stay or leave? It comes as no surprise that pay is the top factor, what with rising inflation and the economic uncertainty brought about by the pandemic. Whether employees believe they are fairly rewarded financially for their work will influence their decision to make a change in their work environment, which means organisations must be consistent in monitoring the market, ensuring that pay is competitive and commensurates with an employee's scope of responsibilities.

But while pay definitely matters, it isn't the only factor that will push employees to explore greener pastures. Purpose or meaning, that is, the sense of finding the job fulfilling, and also if employees can be their authentic selves at work are two other key areas where importance has been assigned, ranking second and third respectively. This desire to work for purpose-driven organisations remains consistent with our [2021 survey results](#)⁷, where 85% of Malaysian respondents said they wanted to work for an organisation that will make a positive contribution to society.

⁷ [Hopes and Fears 2021 \(Malaysia report\). PwC Malaysia, 2021, pg. 26](#)

How important are the following factors to you when considering making a change in your work environment?



Prevention is better than cure, and organisations shouldn't wait until employees resign before initiating serious discussions on how the employee experience can be improved. And in Malaysia, it looks like there's some work to be done, given only 30% of respondents say they're extremely or very likely to recommend their employer as a place to work - lower than 37% globally.

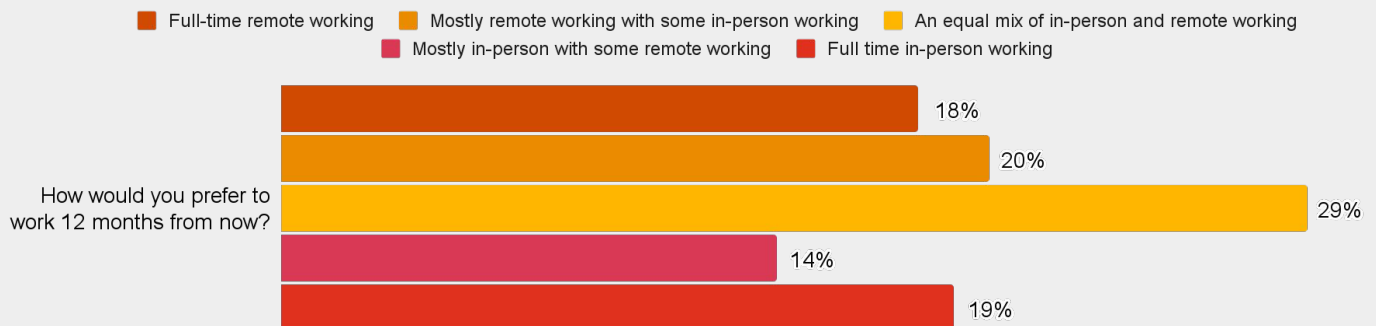
In some instances, organisations may have to rethink their workforce strategy in order to transform their culture into one that effectively engages employees, thereby inspiring greater commitment, loyalty, and productivity.

But organisations should also remember that small actions, too, can help make the biggest impact, and this is where leaders need to ensure managers are trained to guide their teams with empathy, trust, and respect, and that they are able to articulate how an employee's work is linked to the organisation's purpose. It would be difficult for an ideal work environment to exist without those attributes, which would then likely pose a threat to employee morale and subsequently an organisation's retention rate.

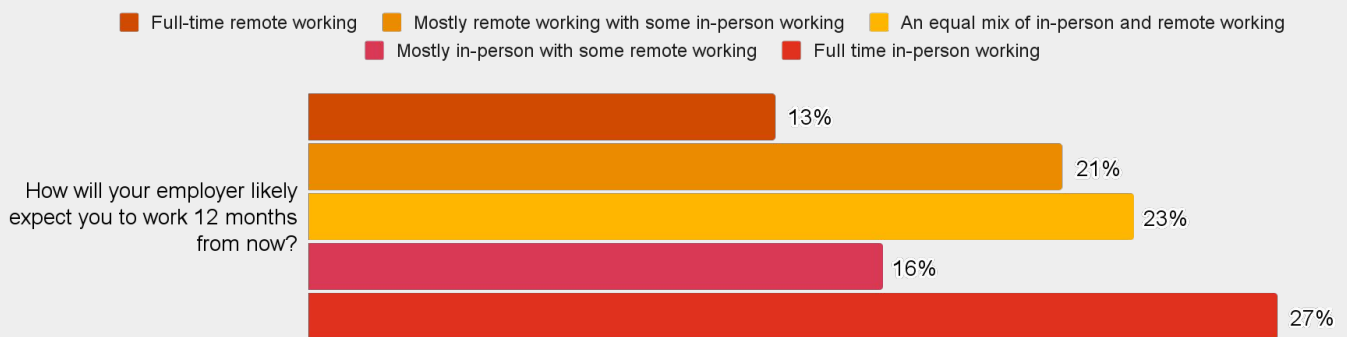


Malaysian respondents are not willing to give up remote working

How would you prefer to work 12 months from now?



How will your employer likely expect you to work 12 months from now?



In Malaysia, a significant number of respondents (67%) say their job can be done remotely, higher than [54% globally](#)⁸. When this pool of respondents were asked how they would prefer to work 12 months from now, 63% say they would like some mix of remote and in-person work, the breakdown as follows:

- 29% - An equal mix of in-person and remote working
- 20% - Mostly remote working with some in-person working
- 14% - Mostly in-person with some remote working

This desire for a flexibility of work locations aligns with the findings from our [2021 survey](#)⁹.

Overall, respondents appear optimistic about their organisations' work arrangement plans, with 60% expecting their employers to adopt hybrid work in the next 12 months.

63% prefer some mix of remote and in-person work.

60% expect their employers to adopt some mix of remote and in-person work.

⁸ [Global Workforce Hopes and Fears Survey, PwC, 2022](#)

⁹ [Hopes and Fears 2021 \(Malaysia report\), PwC Malaysia, 2021, pg. 15](#)

However, there's a misalignment in expectations when it comes to **full-time** remote work and **full-time** in-person work. 18% of Malaysian respondents prefer to work remotely full-time, but only 13% are hopeful their employer will implement that approach. On the opposite end of the spectrum, 27% believe they'll be required to work in-person full-time, but this is a model only 19% of respondents prefer.

18% prefer to work remotely full-time, but only 13% expect their employer to adopt this approach.

27% expect their employer to adopt full-time in-person working, but only 19% prefer this.

As leaders make decisions to reopen offices, they'll need to find a way to meet employees in the middle, striking the right balance between flexibility and prioritising business needs. And in light of our findings above, it may well be time for organisations to accept that the hybrid way of working may be our 'normal' now.

Of course, this is easier said than done, as there are complexities around establishing when and how frequent employees should work from the office or from home. As a start, organisations may want to acknowledge that a one-size-fits-all approach might not work as well, and instead, allow the ratio of office and remote-working time to vary based on roles and responsibilities. There's no specific formula for how this should be done, just one key rule, which is that organisations should not be afraid to experiment, seek feedback from employees, experiment again, and adapt.

Continued investment in technology will be crucial to supporting long-term remote work, and this needs to be paired with upskilling programmes that train employees on how to use these technologies.

And very importantly, a mindset change may be required. Managers should not equate more face-time in the office with greater work commitment or better productivity, or this would take organisations back to the old ways of working, and result in segments of the workforce being overlooked for opportunities that could affect pay and career progression. Needless to say, dissatisfaction may run high among employees should this be the case.



While there are segments that can work remotely, organisations should also remember that this isn't an option for all. There are employees who simply cannot work remotely due to the nature of their jobs, which require them to be on-site at all times. In Malaysia, 31% of our respondents account for this group.

It is imperative that this segment of the workforce isn't overlooked, as their roles are equally as critical in ensuring an organisation delivers on their promise. For this reason, they need to know that they are valued, that the organisation's inability to allow them flexibility like their remote-working colleagues is by no means a reflection of their performance.

What's top-of-mind for leaders now is understandably future work arrangements (e.g. making the move to hybrid), but they shouldn't get caught up in those plans to the point of neglecting their on-site employees. In updating their workforce strategy, organisations must concurrently find meaningful ways to recognise the contributions of this particular segment, an undertaking that would be essential in keeping them motivated, engaged, and satisfied with their jobs.



Malaysian respondents call for greater transparency in ESG considerations

65%

of respondents say it's extremely or very important that their employer is transparent about the organisation's impact on the economy.

64%

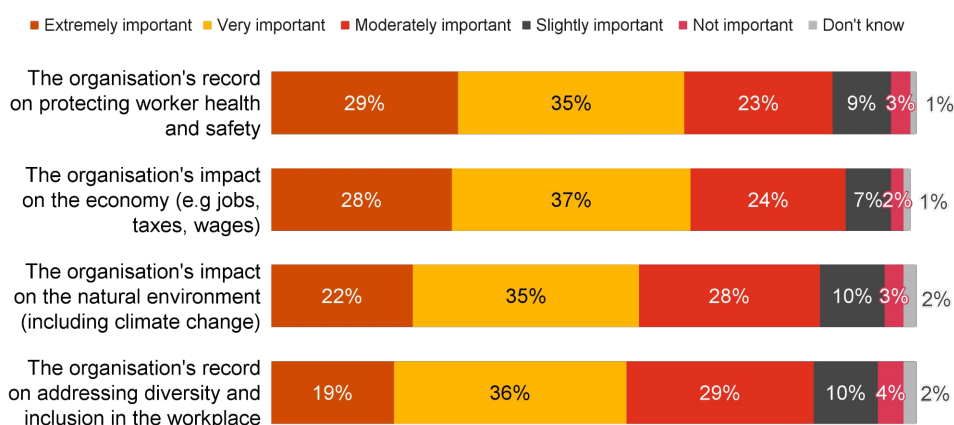
feel the same about the organisation's record on protecting worker health and safety.

Employees care about [environmental, social, and governance \(ESG\) issues](#), and they're demanding that organisations do too. But talk alone is not enough. To our respondents, an organisation's commitment to ESG needs to go hand-in-hand with transparency.

Malaysian respondents (65%) place the highest importance on the organisation's impact on the economy (e.g. jobs, taxes, wages) when it comes to being transparent. This is likely due to the effects of COVID-19, which has shaken the labour market and continues to put pressure on household spending. But the fallout from the pandemic has also undoubtedly heightened people's concern for health and safety, the evidence of which we can see from our respondents' second most important area: The organisation's record on protecting worker health and safety (64%). It's interesting to note that on [a global level](#)¹⁰, the order of both those findings are swapped, with worker health and safety coming in first over economic impact.

¹⁰ [Global Workforce Hopes and Fears Survey, PwC, 2022](#)

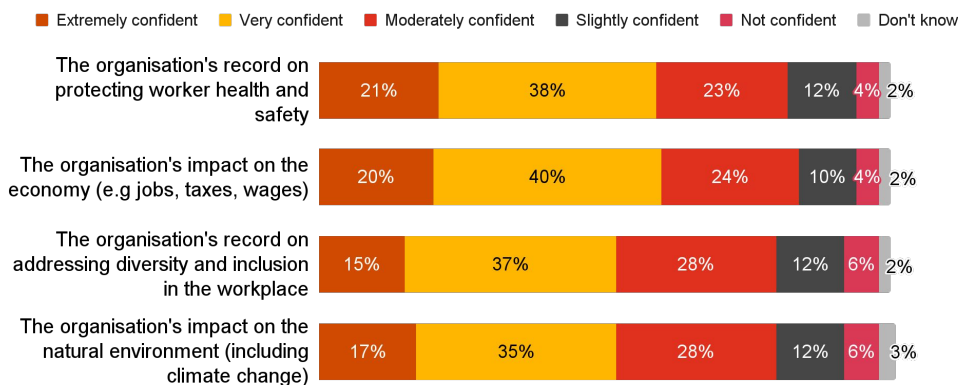
How important is it to you that your employer is transparent about each of the following areas?



There's a slight disconnect between the importance employees place on transparency and their perception of their employers' transparency.

But are employers meeting their employees' expectations of transparency? Our results suggest not quite.

How confident are you that your employer is transparent about the following areas?



Compared to the degree of importance our respondents feel owed to the areas above, they're not as confident that their employer is transparent about them.

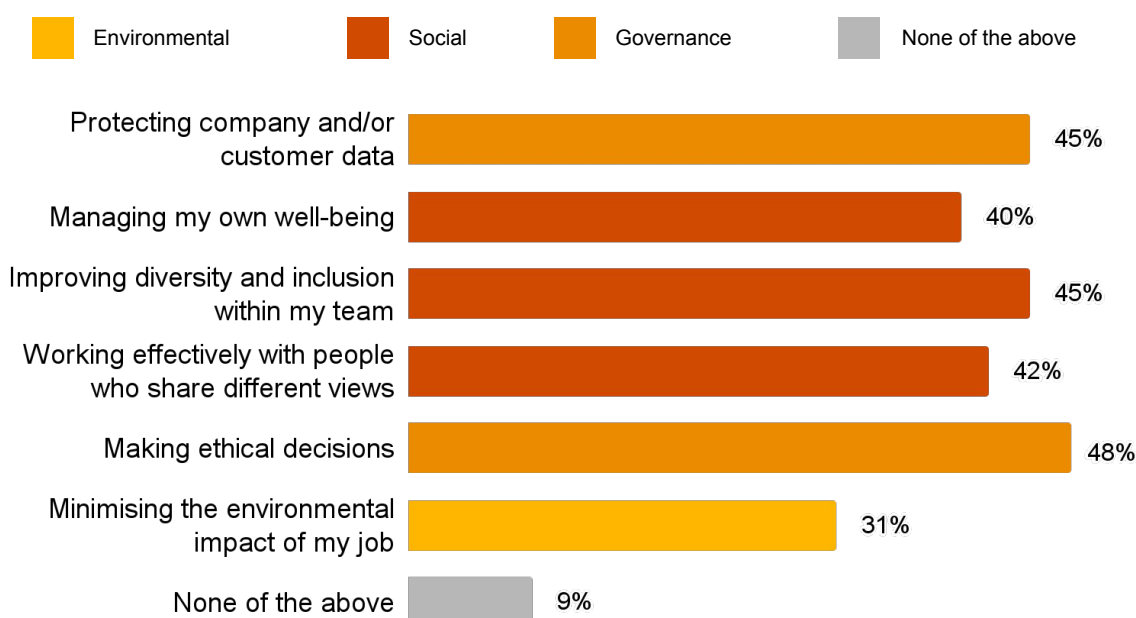
This tells us that better communication may be needed between leaders and their employees. Whether through townhalls, internal newsletters, or team huddles, these avenues of conversation are necessary to provide employees with clarity on the direction in which the organisation is heading, while allowing for the opportunity to clear misconceptions, if any. By-products of improved understanding would surely be a stronger connection to the organisation's purpose, the reinforcement of loyalty, and the building of greater employer-employee trust.

60% are extremely or very confident that their employer is transparent about the organisation's impact on the economy.

59% are extremely or very confident that their employer is transparent about the organisation's record on protecting worker health and safety.

Because ESG considerations have an impact on employees, our survey sought to find out just how supported employees are in incorporating 'E', 'S', and 'G' factors into their day-to-day work. We found that support and resources are being given for social and governance aspects, but even so, the results aren't too promising, with all recorded local responses falling under 50%.

Has your employer provided support and resources to help you with any of the following?



But the most glaring finding is that only 31% of local respondents say their company helps them minimise the environmental impact of their job, a signal that more effort needs to be poured into this area. This is especially pressing if organisations are serious about their commitment to addressing the climate crisis.

Again, clarity is needed. Employees need to understand the measures their organisations are taking to reduce their carbon footprint, and what action they in turn can take to contribute to lasting change. Consistent communication and stronger disclosures would prove paramount in rallying employees behind the organisation's climate strategy, converting theory into practice.

Employers are not providing sufficient support and resources to help employees minimise the environmental impact of their jobs.

Conclusion

If there's one key point we can take away from this survey, it's that the needs of Malaysia's workers are clearly changing, which means organisations must adapt their workforce strategy accordingly. What may help leaders think about this in a systematic way is by developing an understanding of the main disruptions shaping the workforce: specialisation, scarcity, rivalry and humanity. We call this the 'four forces', and you can read more about it [here](#)¹¹.

But more than that, it's time for leaders to keep their ears to the ground. Find out how your employees are feeling, learn about their hopes and motivations, and understand what makes them feel valued. Then listen, and prioritise action plans.

For some, this might mean a transformation of their people agenda. For others, perhaps a better, more effective way of communicating the organisation's commitment to their talent. In any case, a re-evaluation of your approach to human capital may be in order. There are only benefits to doing this, especially in our climate where skills are scarce and the competition for talent is fierce, and that's the development of a more engaged and driven workforce, one that's in sync with your organisation's purpose and business goals.

¹¹ [Meet the four forces shaping your workforce strategy. Strategy+Business. 12 April 2022](#)



About the survey



In March 2022, PwC surveyed 52,195 individuals across 44 territories who are in work or active in the labour market. The sample was designed to reflect a range of industries, demographic characteristics, and working patterns.

In Malaysia, a total of 2,086 responses were received.



About ‘New world. New skills.’



‘[New world. New skills.](#)’ is a global initiative by the PwC global network that aims to narrow the digital divide by improving the skills and digital understanding of millions of people worldwide. At PwC Malaysia, we have invested in training to ensure our people are prepared for the future of work. We are also equally committed to helping our clients identify and address their workforce challenges, and doing our part in reaching underserved communities who may not have access to upskilling opportunities, in order to ensure no one gets left behind.





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