

KERATAN AKHBAR

TARIKH : 11 JULAI 2023
AKHBAR : THE SUN
MUKA SURAT : 3

Factors determining wage hikes

Factors determining wage hikes

➤ Increase attributable to rising cost of living, lifestyle, family composition and residential locality: Expert

■ BY PAVETHRA RAMAN
newsdesk@thesundaily.com

PETALING JAYA: Various factors determine wage increases in tandem with the rising cost of living, said Sunway University economics professor Dr Yeah Kim Leng.

Yeah, who is also an adviser to the Finance Ministry, was giving his views on Economy Minister Rafizi Ramli's July 8 call on the private sector to help manage the cost of goods and services while raising wages.

"Inflation does not accurately reflect the cost of living as it depends on multiple factors, such as lifestyle, family composition and residential locality.

"Malaysia's inflation eased further in May this year with the consumer price index slowing

to 2.8% from 3.3% in April.

"It is important to ensure workers' productivity is raised through upskilling. This will contribute to the company's profitability and competitiveness to sustain wage increases."

Yeah said poverty can be addressed by growing entrepreneurship opportunities through training, mentorship, and access to funding for aspiring businessmen.

He added that this could be done through government initiatives, public-private partnerships, and the establishment of business incubators and accelerators.

Yeah said Malaysia could also encourage agricultural and entrepreneurial activities by raising vocational training programmes to equip individuals with the right skills, including training in agribusiness management,

sustainable farming practices and value-added processing techniques.

The government may also create a conducive environment for the B40 and M40 groups to raise their income through upskilling so that they could earn progressive wages, he said.

Bank Muamalat Malaysia Berhad chief economist Afzanizam Abdul Rashid said the decision to implement progressive wages would be commercially driven.

He said employers would typically weigh their costs and benefits before deciding to employ additional manpower.

"Even for salary revisions, private sector employers would hire human resource consultants to study salary structure before reviewing compensation.

"So we are not just looking at employees' salaries per se, but also the total package such as performance bonus, medical and insurance coverage."

Afzanizam said the Malaysian education system should emphasise producing

employees who are creative and intelligent.

"They should have a higher degree of problem-solving skills that cover a broad range of subjects interconnected with factors such as healthcare and infrastructure, for which the government takes responsibility."

Bakery supervisor Nursyamimi Norul Hisham, 25, who is from the B40 group, said she believes progressive wages would help improve her standard of living and provide her with a stronger foundation for personal and financial growth.

"It's been almost three years since I started working at the bakery, and I have been promoted from a service crew to a supervisor."

"This is because I attended several upskilling programmes that allowed me to improve my knowledge and master my job scope," she said.

"As a B40 employee, I often face financial challenges."

"I believe progressive wages will help to uplift people like me by providing us with better wages and improved financial stability."