

Talent Challenges and Compensation Budgets Malaysia

March – April 2011

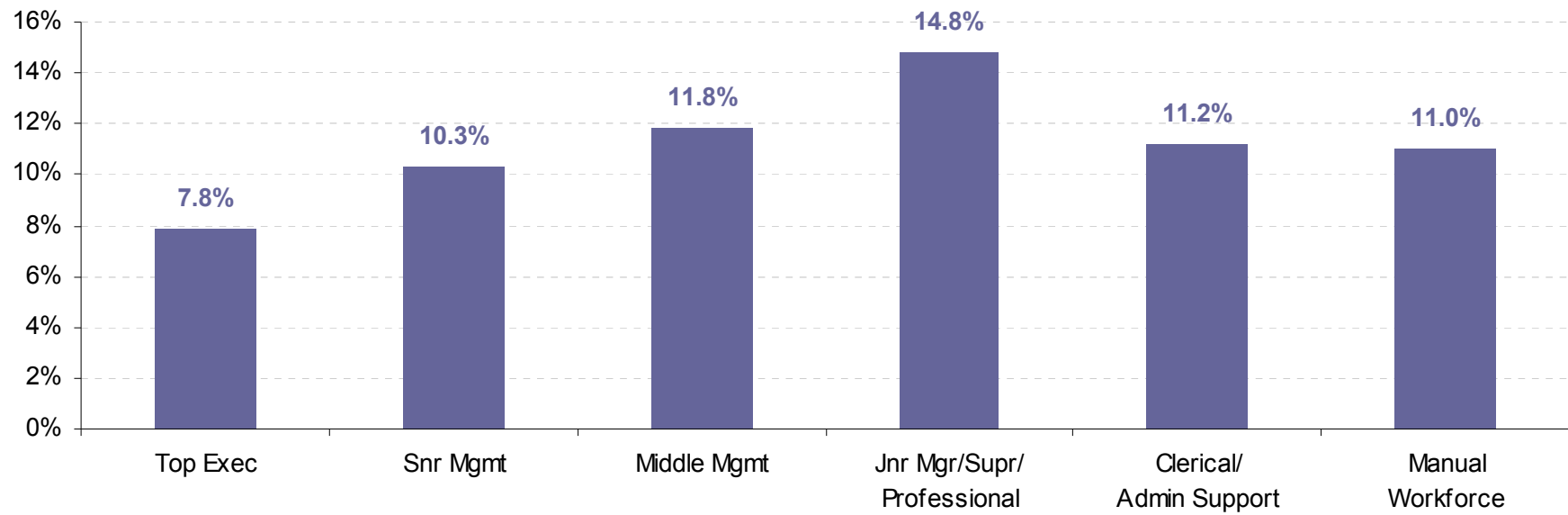


1. Talent Challenges

2. Compensation Budgets

ATTRITION: Highest level of voluntary attrition for the Middle/Junior Management

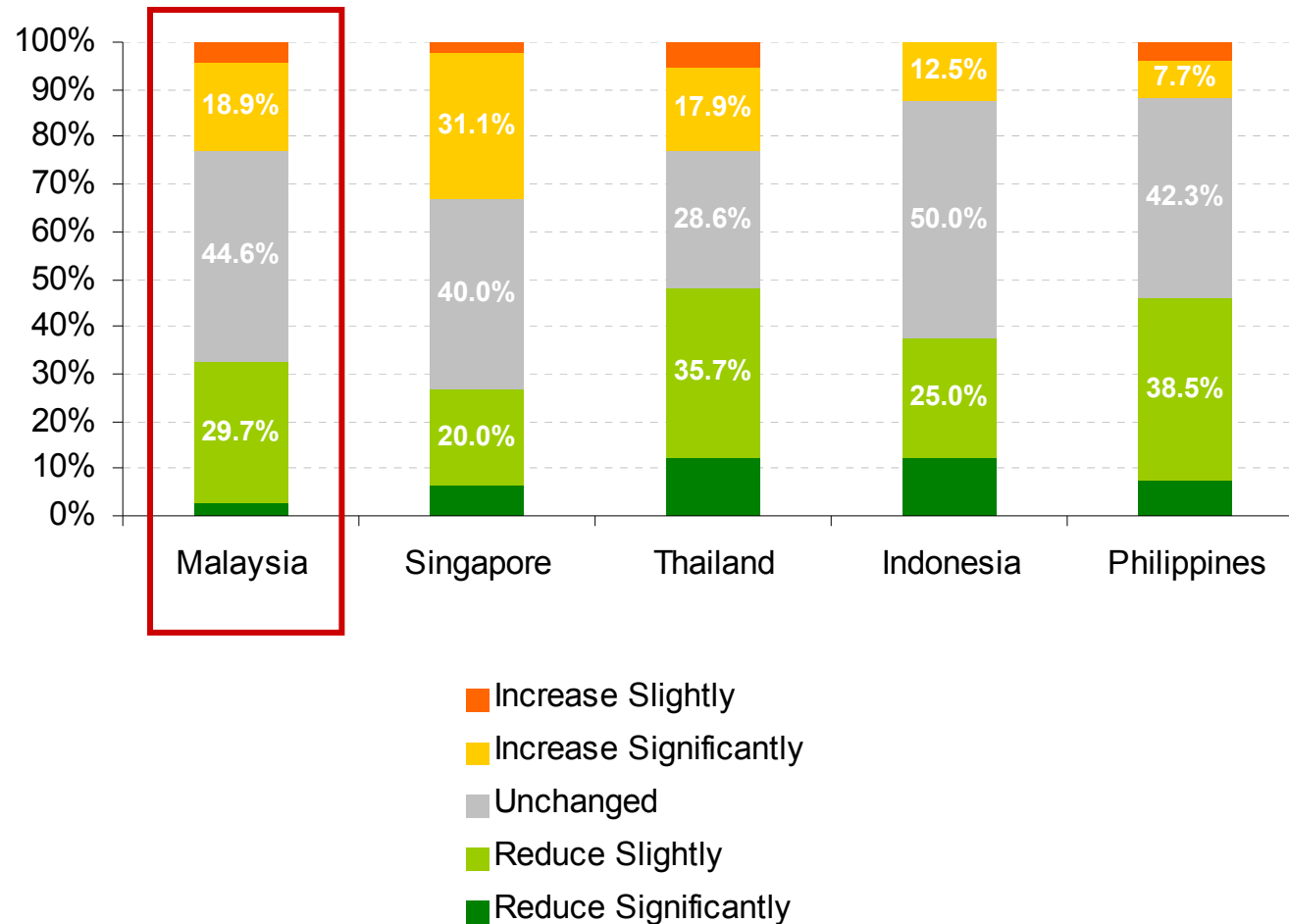
2010 Actual Voluntary Attrition Rate - Malaysia



Data source: Aon Hewitt Hot Topic Survey, 2011 Q1 (n=225 across SEA)

ATTRITION: In Malaysia, majority of organizations expect Voluntary Attrition to remain unchanged

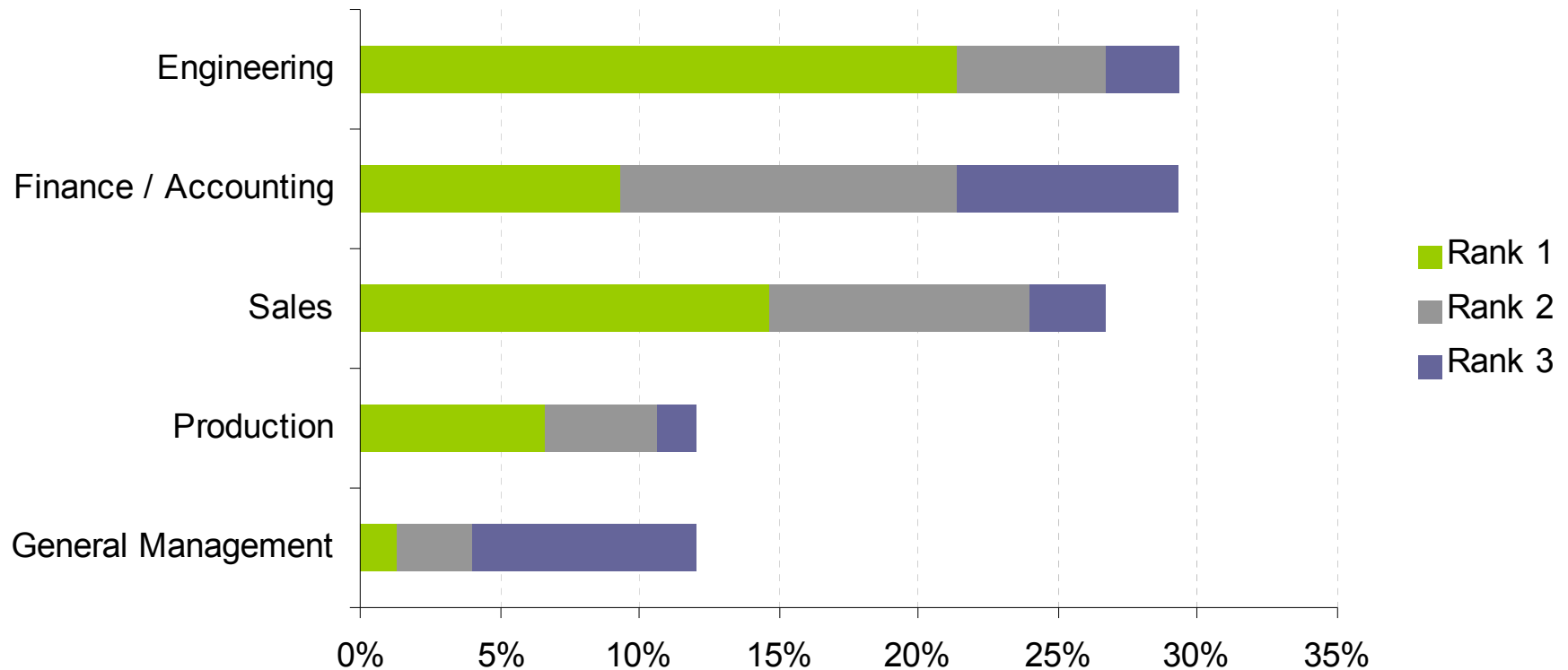
2011 Expectations on Voluntary Attrition Rate compared to 2010



Data source: Aon Hewitt Hot Topic Survey, 2011 Q1 (n=225 across SEA)

ATTRITION: Engineering, Finance/Accounting and Sales remain the top 3 functions with highest voluntary attrition rate

Top Job Functions with Highest Voluntary Attrition - Malaysia



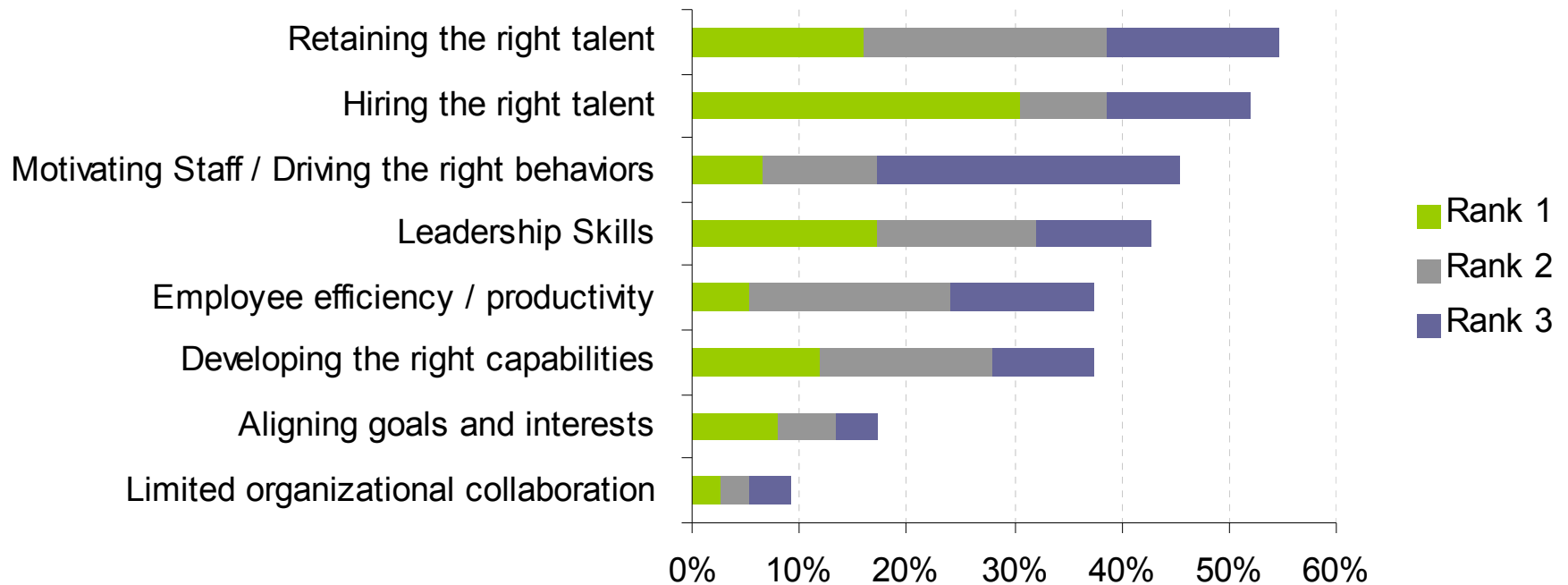
Note:

In Hot Topic Survey 2010 Quarter 1, the top 3 functions with highest attrition rate in Malaysia were Sales (31%), Finance (29%), Engineering (23%)

Data source: Aon Hewitt Hot Topic Survey, 2011 Q1 (n=225 across SEA)

PEOPLE CHALLENGES: Retention and Selection are the Top People Challenges faced

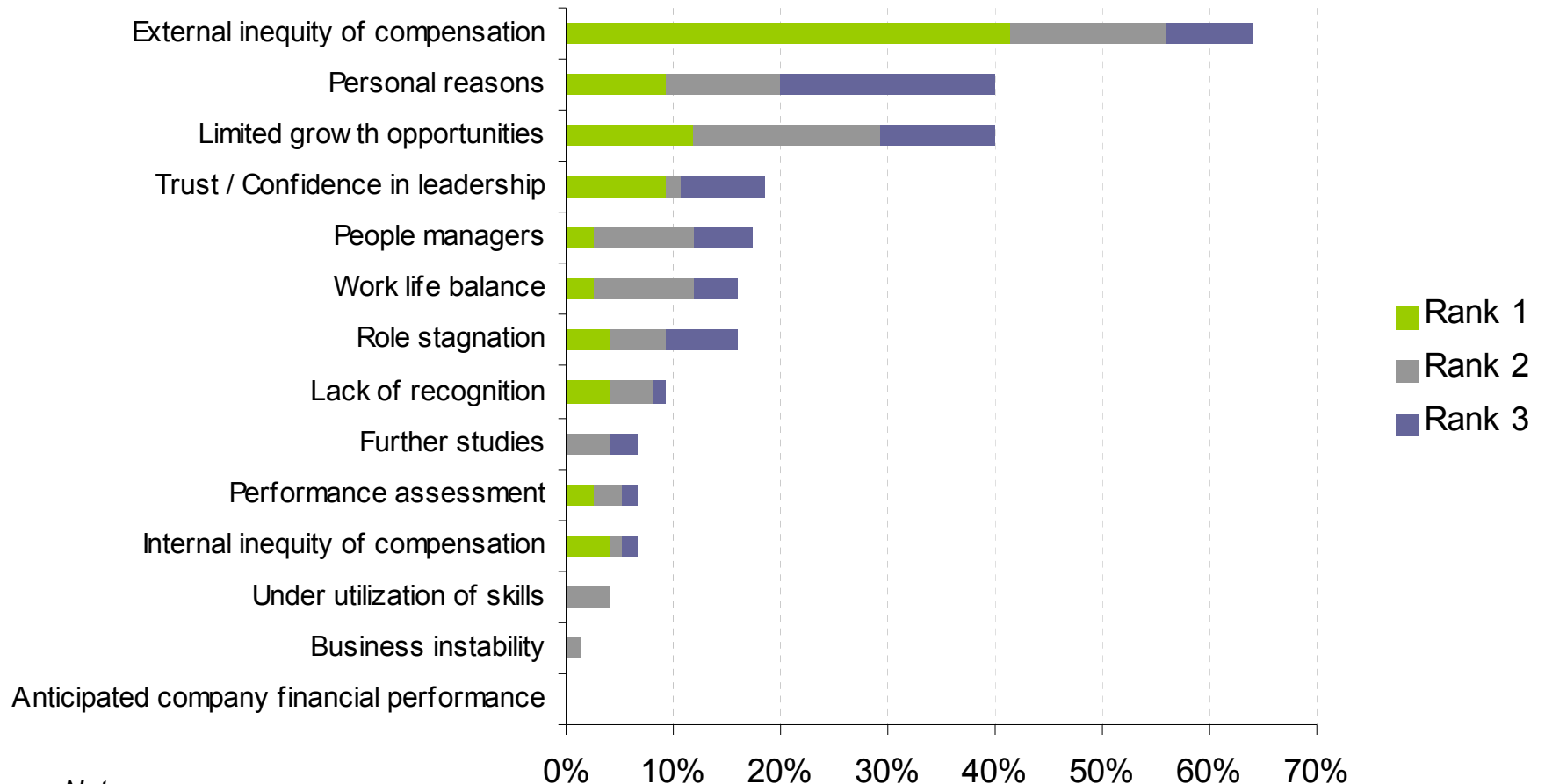
Primary People Challenges - Malaysia



Data source: Aon Hewitt Hot Topic Survey, 2011 Q1 (n=225 across SEA)

RETENTION Challenges: Why are Employees Leaving?

GEN X : Reasons for Voluntary Attrition - Malaysia



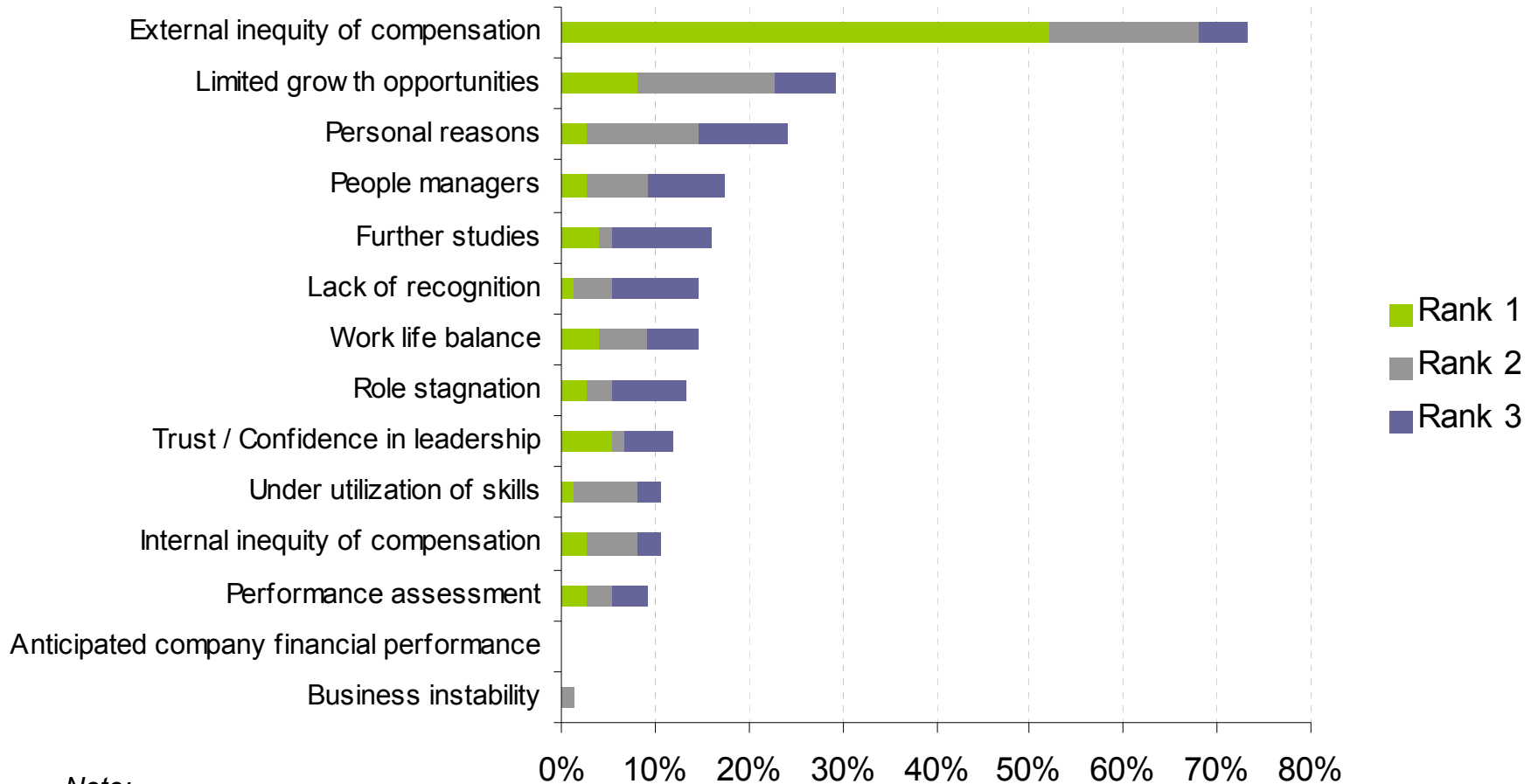
Note:

In Hot Topic Survey 2010 Quarter 1, the top 3 reason for GEN X were:

1. External inequity of compensation (62%)
2. Limited growth opportunities (46%)
3. Personal reasons (40%)

RETENTION Challenges: Why are Employees Leaving?

GEN Y : Reasons for Voluntary Attrition - Malaysia

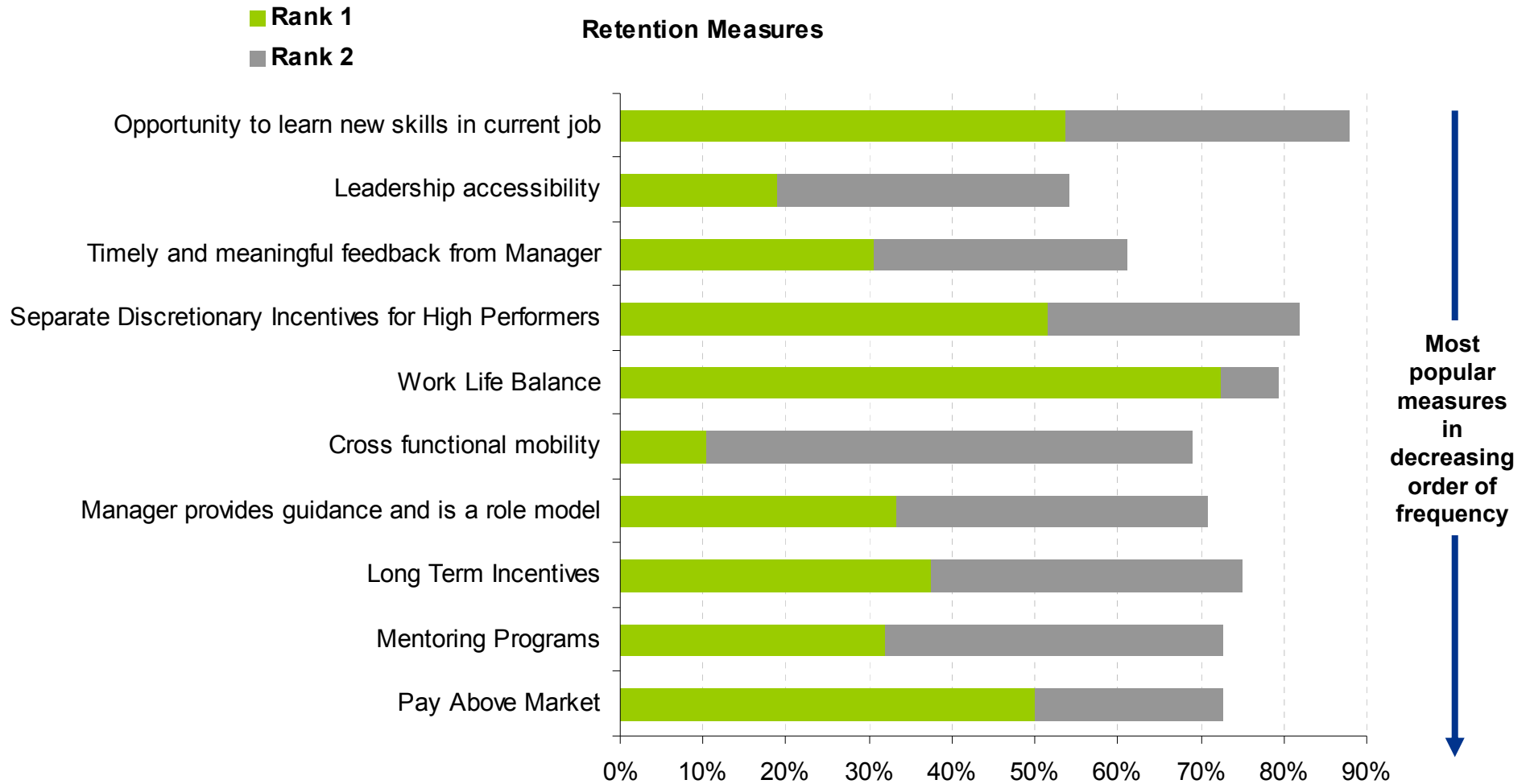


Note:

In Hot Topic Survey 2010 Quarter 1, the top 3 reason for GEN Y were:

1. External inequity of compensation (65%)
2. Personal reasons (37%)
3. Limited growth opportunities (33%)

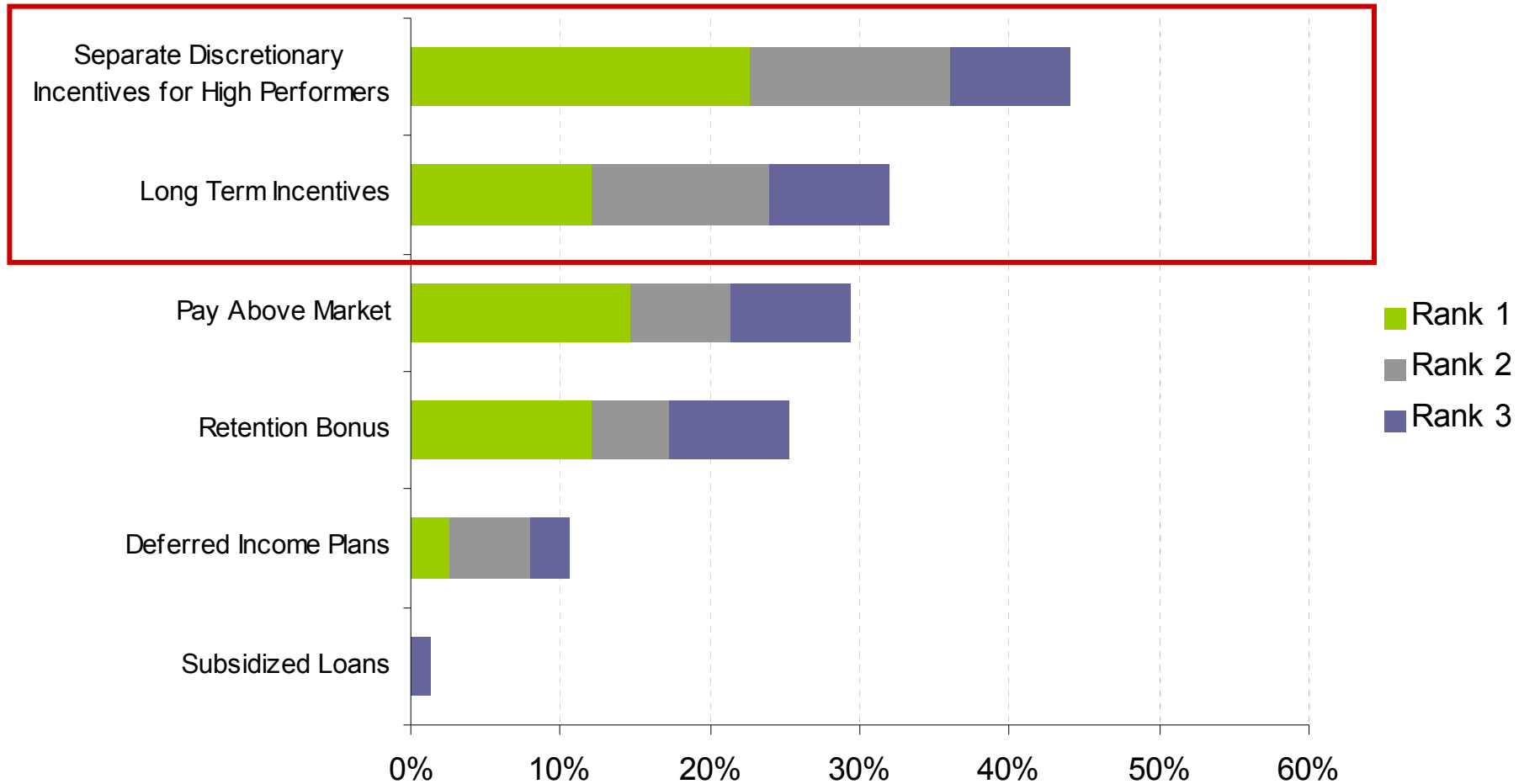
RETENTION Challenges: How is the Market reacting to retain Employees?



Data source: Aon Hewitt Hot Topic Survey, 2011 Q1 (n=225 across SEA)

RETENTION Challenges: How is the Market reacting to retain Employees?

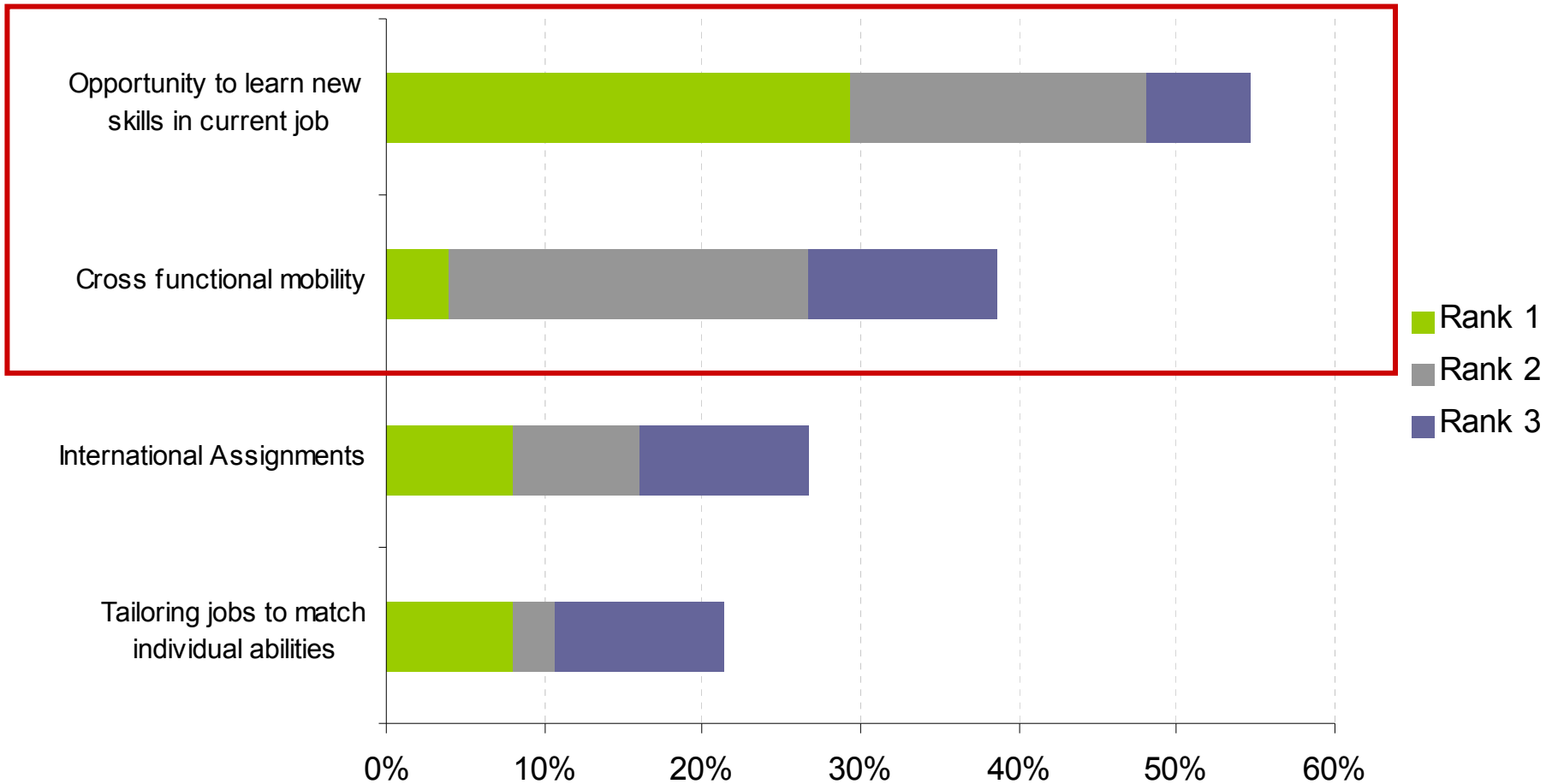
Retention Measures : Compensation & Benefits



Data source: Aon Hewitt Hot Topic Survey, 2011 Q1 (n=225 across SEA)

RETENTION Challenges: How is the Market reacting to retain Employees?

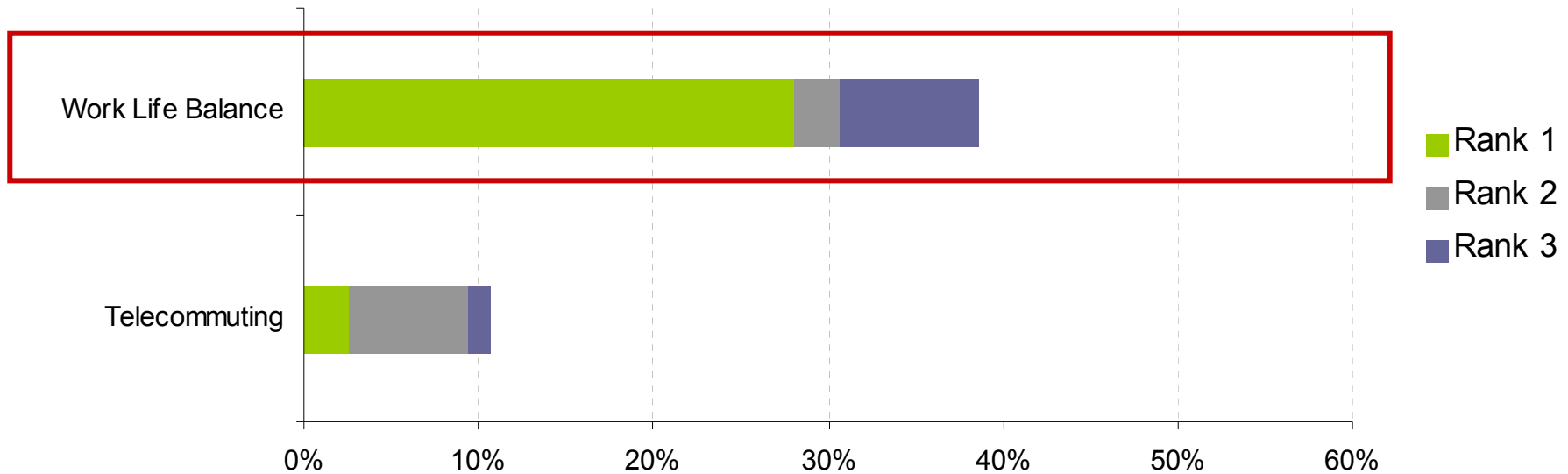
Retention Measures : Career Opportunities



Data source: Aon Hewitt Hot Topic Survey, 2011 Q1 (n=225 across SEA)

RETENTION Challenges: How is the Market reacting to retain Employees?

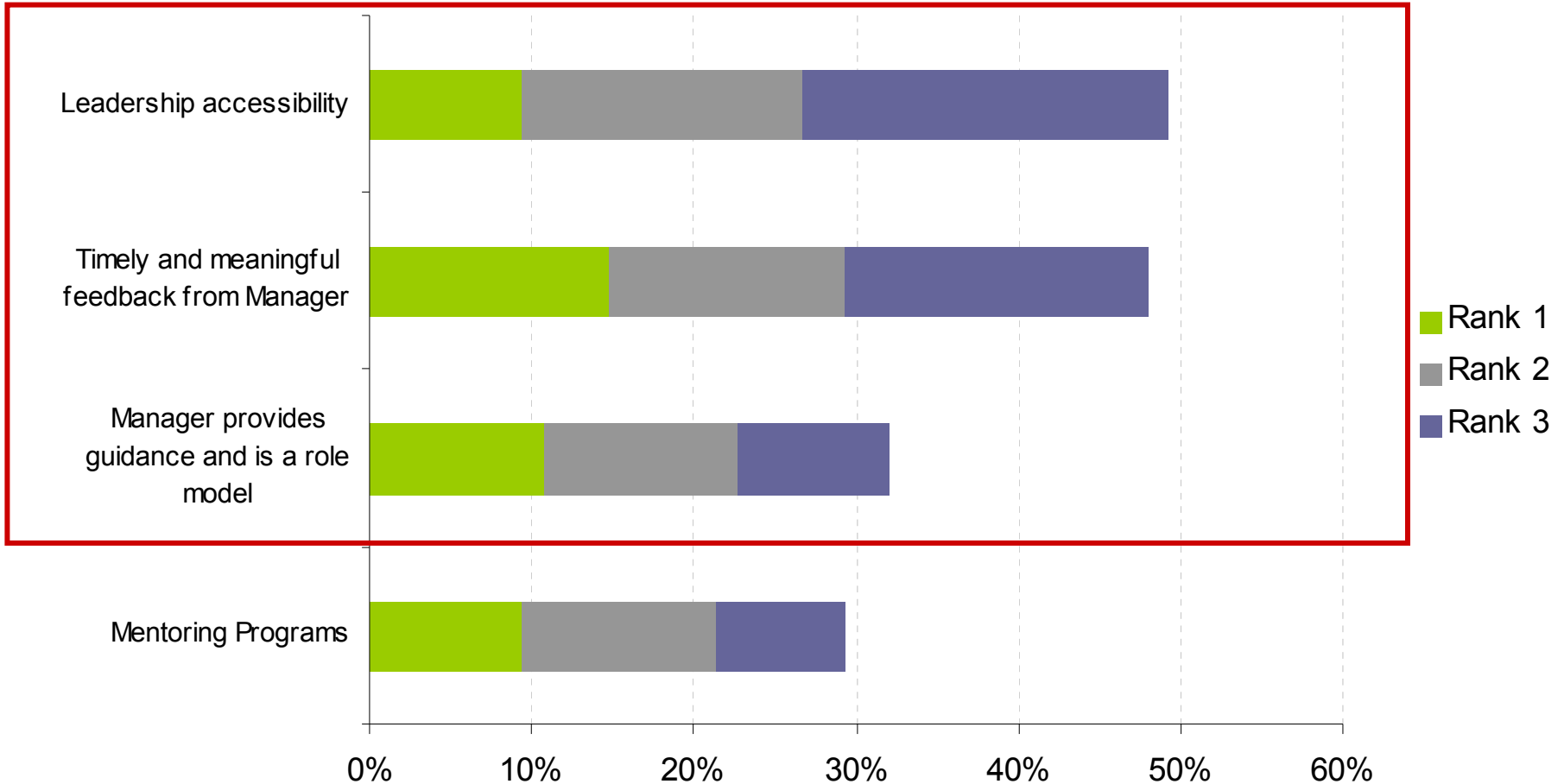
Retention Measures : Quality of Life



Data source: Aon Hewitt Hot Topic Survey, 2011 Q1 (n=225 across SEA)

RETENTION Challenges: How is the Market reacting to retain Employees?

Retention Measures : People



Data source: Aon Hewitt Hot Topic Survey, 2011 Q1 (n=225 across SEA)

HIRING Challenges:

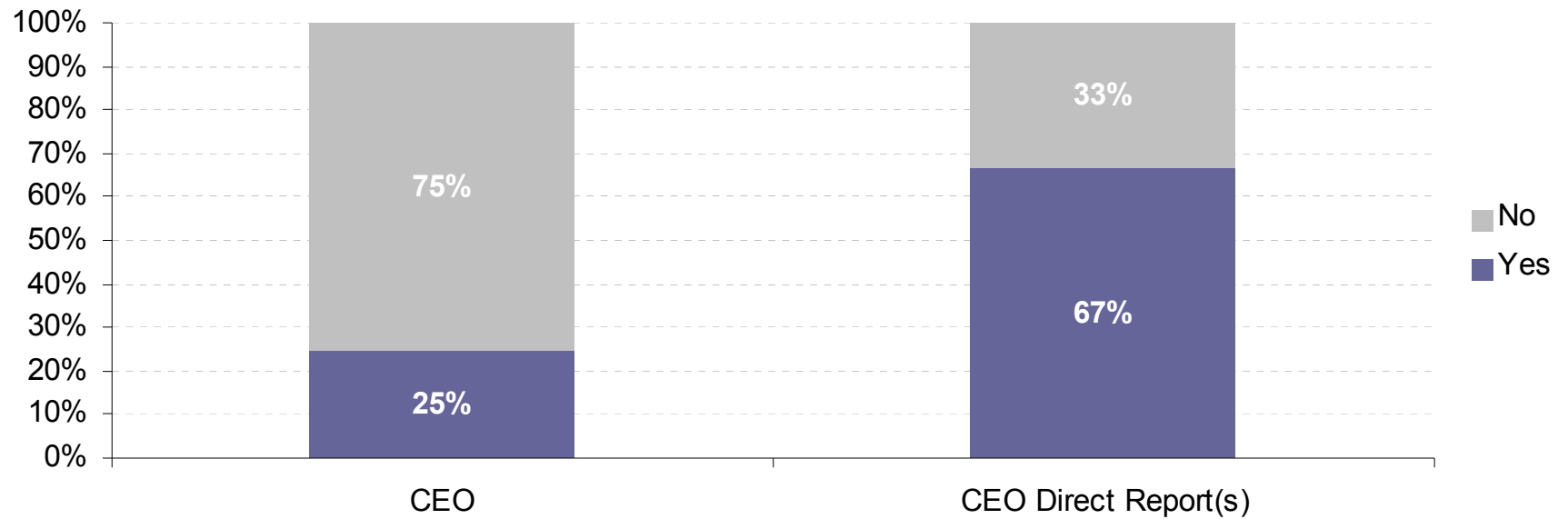
Top Recruitment and Selection Challenges - Malaysia



Data source: Aon Hewitt Hot Topic Survey, 2011 Q1 (n=225 across SEA)

Malaysia - Appointments of new CEOs & Direct Reports in last 18 Months

New Appointments for CEO and CEO Direct Reports in last 18 months - Malaysia



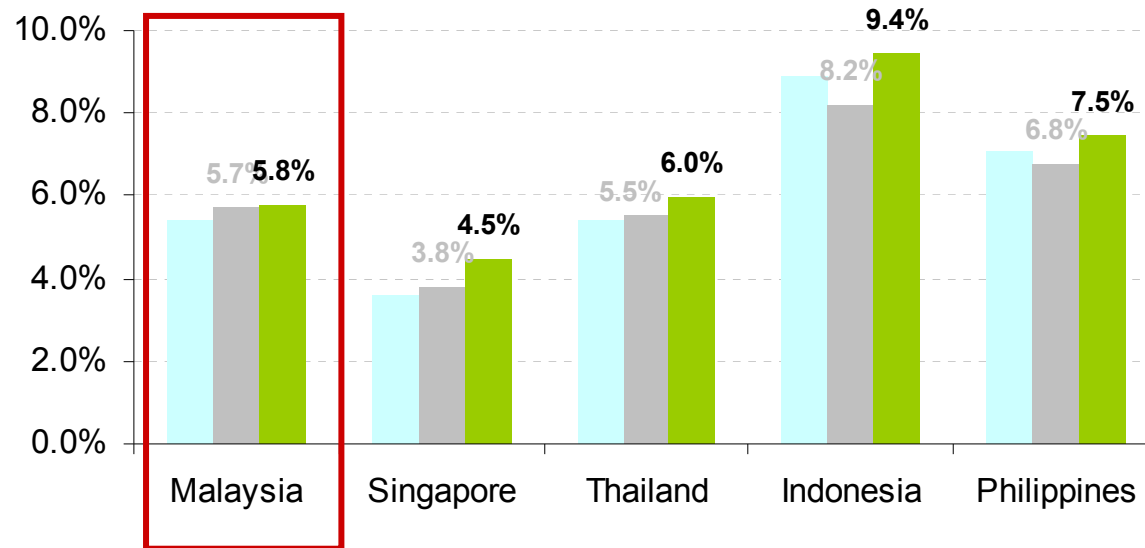
Data source: Aon Hewitt Hot Topic Survey, 2011 Q1 (n=225 across SEA)

1. Talent Challenges

2. Compensation Budgets

Across SEA, projected payout for next Salary Increase is likely to be higher than previous payout

Salary Increase Across South East Asia

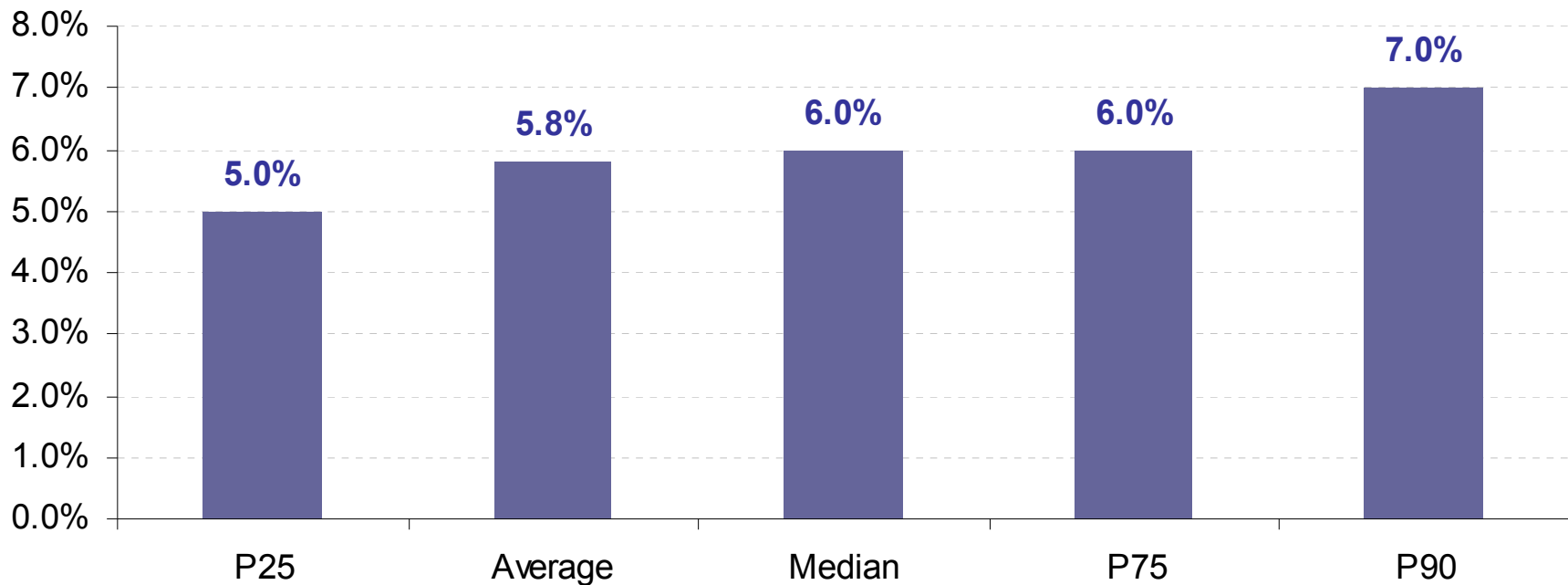


■ Target Payout (as of Mar 2010) ■ Actual Payout (Last Salary Increase) ■ Projected Payout (Next Salary Increase)

Data source: Aon Hewitt Hot Topic Survey, 2011 Q1 (n=225 across SEA)

Projected Salary Increase for Malaysia typically ranges between 5% to 7%

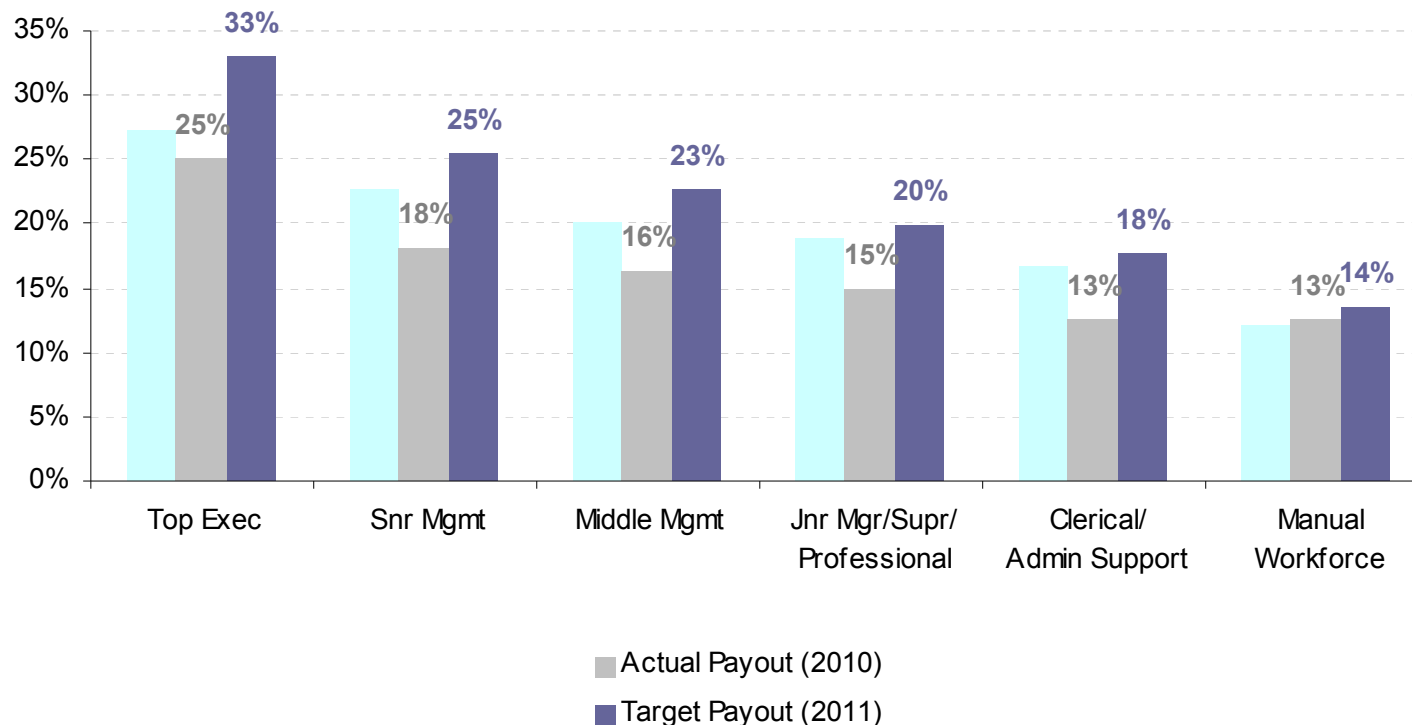
Salary Increase - Malaysia



Data source: Aon Hewitt Hot Topic Survey, 2011 Q1 (n=225 across SEA)

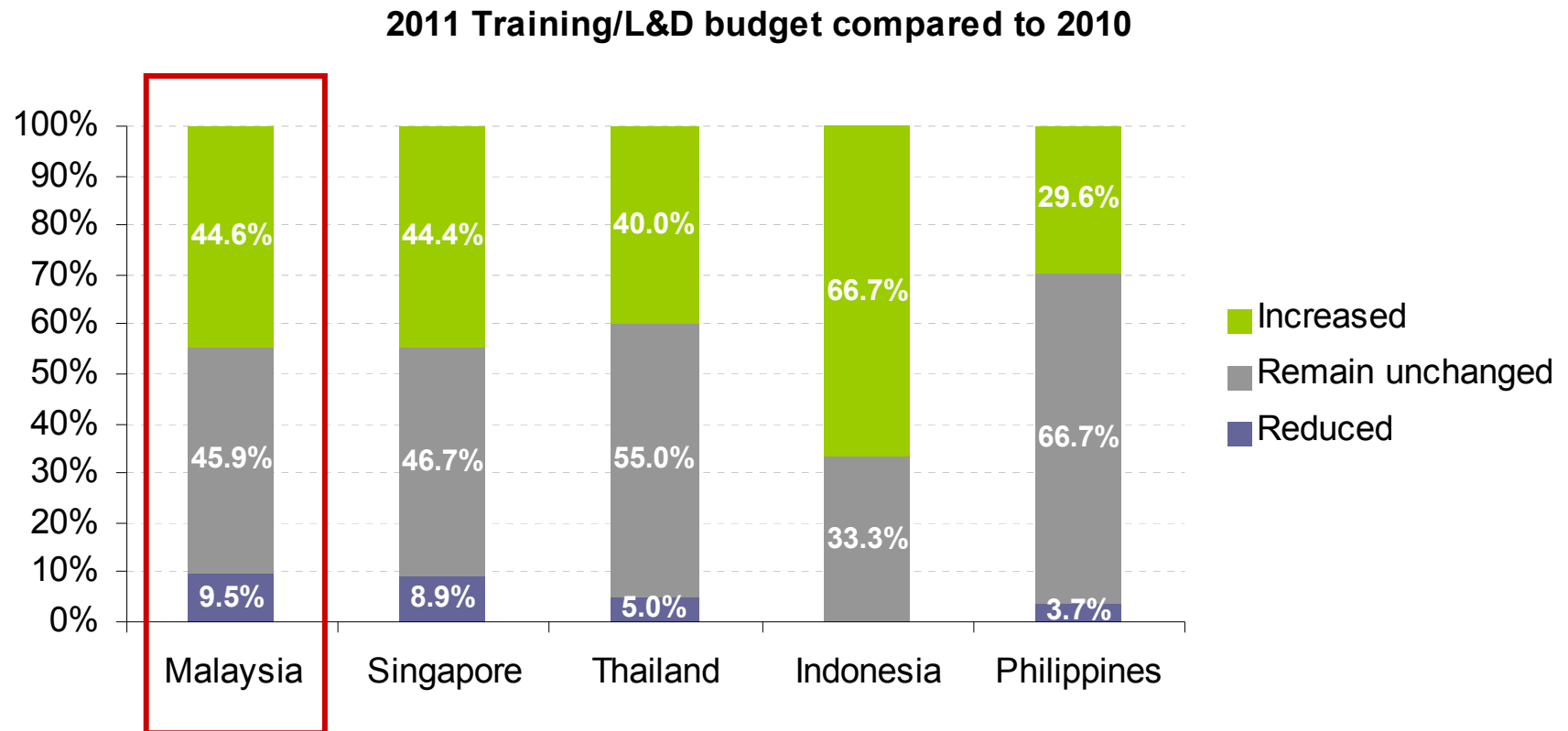
Target Bonus Payout for 2011 is projected to be between 12% to 27% of annual base pay (i.e., 1.4 mths to 3.3 mths)

Bonus Payout as a Percentage of Annual Base Pay - Malaysia



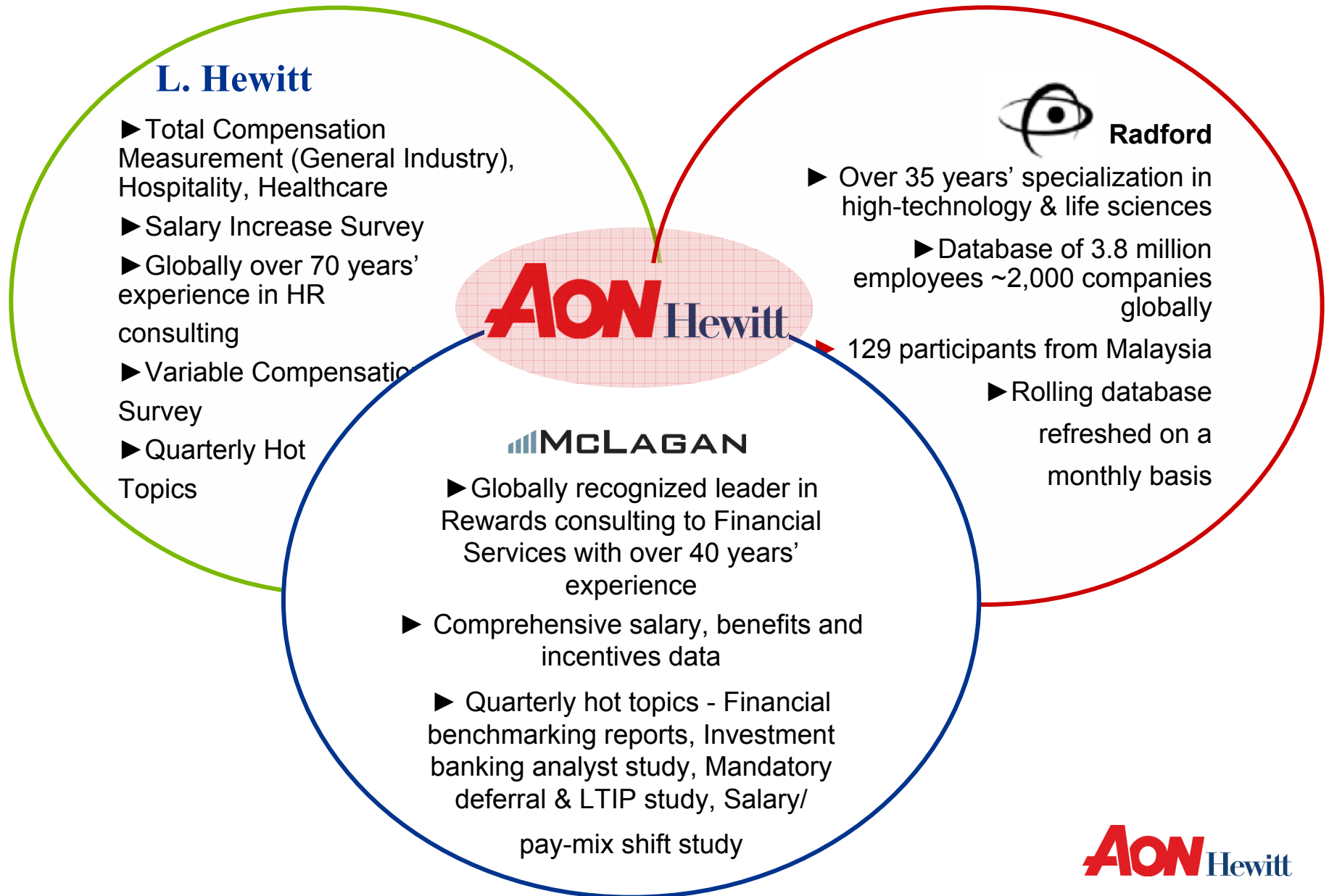
Data source: Aon Hewitt Hot Topic Survey, 2011 Q1 (n=225 across SEA)

Across SEA, Training/L&D budget is likely to remain unchanged or increase



Data source: Aon Hewitt Hot Topic Survey, 2011 Q1 (n=225 across SEA)

What to expect from Aon Hewitt



Questions?

