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Making Sense of
The Great Resignation
for Businesses in Malaysia

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All around the world, businesses have — and continue to experience significant problems with regards to retaining talent and recruitment. 2021 was the year of "The Great Resignation", an issue that has seen professionals willingly abandon their jobs at historically unprecedented rates, despite the economic downturn brought on by the COVID-19 pandemic.

The effects of this trend can be seen on a global scale, with approximately 4.4 million people (or 3% of the workforce) in the U.S. reportedly resigning from their jobs in September 2021 alone, with even more set to do the same in 2022.

The reasons for such a paradoxical problem — where people leave their jobs despite bleak financial circumstances — have been attributed to a variety of factors, ranging from pay expectations to employee happiness at their organisations. This can be seen in conversations on social platforms regarding the rights of employees and the concept of prioritising personal growth and well-being before all else.

Regardless of whether you agree with this shift in mindset for many employees, the truth remains clear that younger professionals are now forming a collective wave of thinking that demands more from their employers.

Here are some of the most prominent drivers behind "The Great Resignation":

POOR JOB SECURITY

One of the top reasons influencing decisions to leave any job involves the prospect of losing it unexpectedly. Whether it be due to a sense of feeling disposable, or coming to terms with the bleak outlook of a company (and a possible mass layoff), an employee may be heavily tempted to leave their position, sometimes even without the safety net of another job.

Keep in mind that these decisions aren't usually made on a whim. Instead, this is a process that usually requires an extended period of review — for weeks, or even months before a final decision is made.

TOXIC WORKPLACE CULTURE

Toxic workplace culture — unfortunately — can be commonplace, and is an unwanted side effect brought about by the competitive nature of the job market. However, it should come as no surprise that with the growing voice on social media platforms calling out real-life examples of discrimination, disrespect, and manipulation from across the board, more and more professionals have grown less tolerant towards toxic workplace behaviour.

UNREASONABLE JOB EXPECTATIONS

While it's not uncommon to see bosses push their employees to strive for better performance and results, it has been noted that constant demands to be more efficient, innovative, and to display hunger can sometimes lead to burnout — a major instigator behind an individual's contemplations on whether to carry on in their current role.

Sure, it's no mistake to set a high bar for an employee's performance, but there can be times when unreasonable demands under the guise of constant improvement or innovation can become the undoing of a company seeking to hire and retain top talent.

For example, long working hours can have significant negative effects on employee well-being, happiness, and ultimately retention. While the practice of overtime work is an inevitability in today's world, it's worth noting that unreasonably long work hours can begin a vicious cycle for employees - employees get more fatigued over time, leading to lower productivity, and even longer hours.

INSUFFICIENT RECOGNITION

Everyone appreciates being given a pat on the back after doing a good job, however there can be times where exemplary performance goes unnoticed. You'll find that many professionals are currently dissatisfied with the amount of recognition or rewards they receive for their work - something that needs to be rectified to retain the best talents in your organisation.

While you may find that there are individuals who may exaggerate their grouses, the truth of the matter is that businesses would do well to look into addressing this issue — consider peer-to-peer recognition programmes, as well as regularly scheduled 1:1 sessions between employees and managers for constructive feedback.

PANDEMIC ERA UNCERTAINTY

An issue that has become particularly unique to the current era is one of uncertainty on a monthly, weekly, or even daily basis. This is down to various COVID-19-enforced disruptions to the workforce, or even school/university schedules for children and other dependants — leading to an increased demand for flexibility in the workplace.

For example, the closure of schools and childcare facilities during the early stages of the pandemic caused a great number of working parents to abruptly undertake a balancing act of juggling work duties while caring for their children, while the prospect of contracting the virus also caused many to be worried about working in a crowded physical workplace.

Consequently, many workers now see flexible work arrangements as more of a requirement rather than a luxury when it comes to staying put in an organisation.

WHAT ABOUT MALAYSIA?

When it comes to Malaysia, the "Great Resignation" now similarly affects businesses in the sense that more workers are also becoming inclined to leave their jobs in the near future.

According to a report released by Employment Hero, a survey conducted in 2021 found that around 61% of Malaysian workers had plans to find a new job within the next year, with the 35-and-under group making up the bulk of those most ready to leave their current jobs.

The study which polled just over 1,000 Malaysian professionals revealed that despite the large percentage of potential job-leavers, a majority of workers (45%) actually enjoyed their current roles, while only a small percentage (4%) said that they disliked their job.

According to the survey, the breakdown of the three top reasons behind decisions for quitting comprised of the following:

- **A lack of career development (36%)**
- **A lack of appreciation/recognition (27%)**
- **A lack of training opportunities (26%)**

Behind these reasons, it was also noted that other factors included lack of sufficient remuneration, the feeling of being overworked, inflexible work arrangements, and management/administrative issues hindering processes.

Beyond the workplace, there are also other external factors that come into play here. For example, with the COVID-19 pandemic situation forcing the government to provide financial handouts through grants and credit schemes, many individuals have seen fit to leave their positions and try their hand at starting their own businesses.

In general, remaining flexible and agile when it comes to managing the workforce is now a key element of effective employee retention and recruitment. However, adapting to these demands has been a more difficult transition for some companies than others.

HOW TO PLUG THE TALENT GAP IN MALAYSIA

Obviously, the threat of potentially losing your best talents is an intimidating thought. However, you shouldn't panic — not yet, at least. According to a survey from the Malaysian Employers Federation (MEF), resignation rates for both non-executive and executive positions remained low in 2021, but this is tempered with a warning from an Iris Institute economist that there remains the possibility of a localised Great Resignation in Malaysia.

As explained by Adilah Zafirah, certain conditions in the labour market today — including remuneration, work-life balance, and flexibility — require significant improvement in order to avoid a talent drain for employers in Malaysia. This is particularly relevant when it comes to the younger generation of employees, who have a strong need for work-life balance — which can even be prioritised over financial gains.

Consequently, this potential threat warrants sharp attention from companies looking to hold on to talented workers, and businesses looking to achieve employee retention (and recruitment) goals for 2022 are best advised to implement strategies to tackle this very issue head on and prevent a talent drain from happening within your own ranks.

Mitigating the problem involves key steps & strategies.

To help employers become better prepared, we've listed some easy-to-follow steps that can help you plan and implement actions that will make your workplace and corporate culture more welcoming and hospitable for your staff members.

🔍 BEGIN BY IDENTIFYING UNDERLYING CAUSES

While there are many reasons that cause a person to voluntarily leave a job, different companies will discover different key causes within their ranks that lead to increased turnover rates.

If you've found that the rate of turnover at your organisation has become an issue, this is a sign that calls for in-depth analysis into your workforce to identify areas that you can fix. This can be done via a top-down approach that first begins with a general survey among employees to query what they hope to gain out of their current positions, and what they expect in the near future.

Of course, you'll find some demands more unreasonable than others, but this step can generally help you to locate certain pain points that you can address to create a more attractive ork culture that may convince the bulk of your staff members of a rewarding career should they choose to remain.

From here, you can work to analyse your workforce in segments or by departments to see what needs can be better met within reason to help them perform their tasks better and with better satisfaction.

For example, you may end up discovering that certain teams can function well enough remotely, and thus introduce setups that will allow team members to transition into a hybrid work arrangement that only requires team members to enter the office some of the time instead of every workday.

Once you've managed to determine the root causes influencing high turnover rates at your company, you can then proceed to implement the following to give your employees even more reason to want to stay at their jobs.

INTRODUCE CLEAR PROGRESSION PATHWAYS

Considering how today's young professionals are heavily driven by achievement and career progression, it only makes sense to introduce clear pathways for team members to climb their way up the ladder as they continue to serve your business well.

If you haven't already, strongly consider introducing tailor-made career advancement plans for staff members that are evaluated regularly during yearly employee reviews for example. This can be discussed during regular intervals — as opposed to yearly reviews — to ensure that progress and support can be offered throughout their employment on a consistent basis.

Short of offering guaranteed promotions and pay increments, you may suggest ways in which your team members can upskill themselves to become better at their roles, or incentivise their KPIs or achievements with opportunities at leadership roles should your business have the capacity to do so.

Needless to say that while this isn't possible for every employee, you should keep in mind that today's professionals appreciate the chance to prove themselves, and can be heavily swayed to stay at an organisation that has a track record of promoting from within.

REVIEW REMUNERATIONS PACKAGES

While money isn't the be-all and end-all when it comes to remaining at a job, a competitive wage can certainly swing things in your company's favour.

Even without meaning to, some businesses can unfortunately discover too late that they offer pay packages that aren't in-keeping with that found in the current job market.

You can solve this by conducting reviews at regular intervals to compare pay rates between you and your competitors, while determining if your own wage structures have been optimised according to job categories and ranks. You also shouldn't neglect other forms of compensation and benefits including health insurance, leave days, or employee stock options.

FLEXIBILITY IS KEY

Again, flexibility in the workplace has become among the top priorities influencing stay-or-quit decisions during the new normal, and it would benefit most businesses to introduce working arrangements for staff members that allow them options to work remotely or even minimise their required working hours so long as they continue to perform satisfactorily at their given tasks.
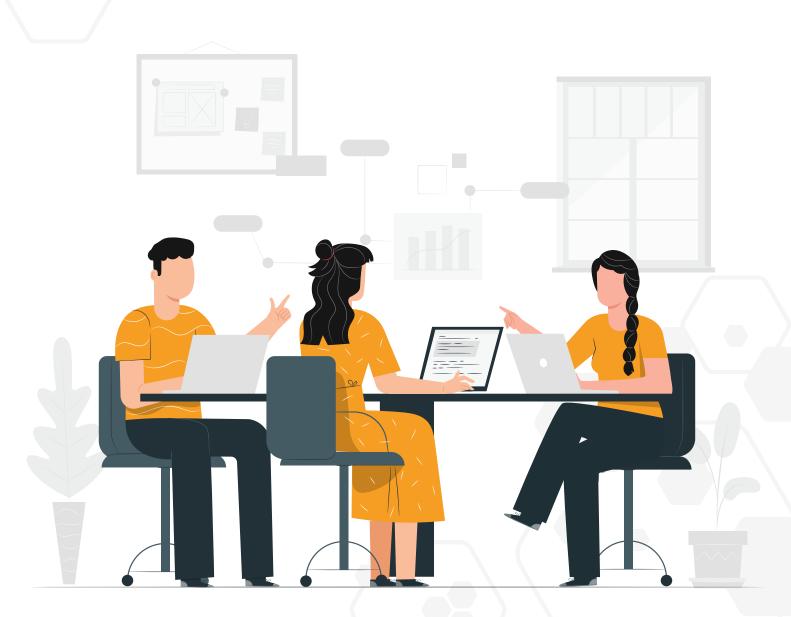
Considering it may not be possible to do this at all levels or departments, you can instead group job roles into separate families and offer flexibility based on the needs and requirements of both the employer and employees. Remember: it can be helpful to focus on key results and deliverables, rather than hours and work locations.

👥 CHECK IN ON YOUR CULTURE

Needless to say, a healthy workplace culture is also key to keeping your staff members happy and willing to stay on board.

The essentials of a good workplace culture include things such as minimal bureaucracy, strongly enforced employee discipline, inclusivity and non-discrimination, as well as safe spaces to air concerns without the fear of being exposed among others.

The larger your company, the more you'll find that there are things to fix when it comes to instilling a healthy workplace culture, so a good approach would be to hear these concerns directly from individual staff members, and work with your HR team to find solutions should there be enough voices raising alarms about certain issues.

KEEPING YOUR BEST EMPLOYEES — AND HIRING THE BEST TALENT — IN MALAYSIA WITH altHR

These are just some of the strategies to help make your company more attractive for your current staff as well as for potential hires, but it's often difficult to implement considering the logistical challenges now posed by the current pandemic situation.

It's understandable that implementing flexi-work arrangements and a solid corporate culture, orapparently straightforward tasks such as monitoring employee progress, can be difficult if done without the aid of a solid, comprehensive HR management system.

Enter: Digi's super app, altHR — as utilised by over 1,500 employees of the telco giant in Malaysia.

Designed to help businesses in Malaysia survive, and thrive in 2022 (and beyond), altHR has undoubtedly become essential for organisations of all sizes looking to successfully navigate the new normal, and the digital era. With a wide range of modules ranging from core HR functions such as Leaves and Expenses to Time Tracking and Rostering, the super app even comes with add-on features that truly help to take your HR to the next level.

This includes modules such as Performance Management for regular employee appraisals, Spaces for advanced bookings on communal spaces in the workplace, and even a Gifting feature to help employees stay connected during a difficult, remote period. And with today's ongoing situation with COVID-19, it's important that you get accurate, reliable, and regular status updates from all employees — altHR comes with a handy Check-Ins module to track health, location, and work statuses on a daily basis.

It's a continually evolving product, and one that has a stated aim of being the perfect tool to help Malaysian businesses' digitalisation journeys.

Interested in taking your HR to the next level?

Click here for more information