

Talent Market Snapshot

BPO Industry – Malaysia



ManpowerGroup

Key Areas of Consideration

- Increased skills deficits especially in Data Analytics, Automation, Innovative Thinking, Functional Expertise and Digital Competencies
- Productivity improvement challenges
- Limited availability of multilingual candidates with closed borders in Malaysia and Requirements for release letters from current employers.
- Longer timelines for foreign hiring with requirements such as advertising in MyFutureJobs.



Labour Market Impact

Throughout the 2020, Malaysia's labour market experienced uneven momentum following the health crisis. Businesses related to industries such as Arts, Entertainment and Recreation, & Real Estate, & Mining and Quarrying were showing a decline in labour force of -26%, -11% and -10% respectively.

Although the pandemic continued to be a difficult challenge, some sectors in Malaysia experienced growth in labour force. The Financial and Insurance activities, Utilities, & Wholesale and Retail sectors dominated Malaysia's employment growth in 2020, with 11% and 7% increment of the labour force working in those sectors.

Moreover, Malaysian workforce experienced a significant decline in average wages of about 11%. However the most impacted age groups were 20-24, 25-29 and 60-64 with a drop in average monthly salaries of -15%, -14% & -19% respectively ¹.



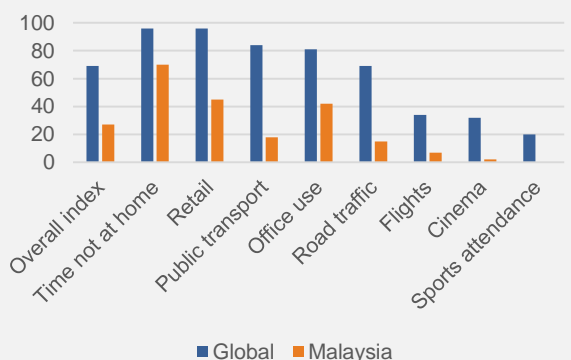
Bumpy Road of Recovery

Many have pondered when the world will return to "normal" since the coronavirus pandemic began. But it's uncertain whether things will ever return to the way they were: remote working, for example, appears to be here to stay, and going to the movies may never be as popular as it once was.

The Economist has created a "normalcy index" to assess how people's behavior has changed and is changing as a result of the pandemic.

Interestingly, from the 50 countries assessed, Malaysia is the furthest country from pre-pandemic levels of activity. (*The index sets a score of 100 as pre-pandemic levels of activity*).

The Economist Normalcy Index July 2021



To look on the upside though, this means that there is ample room for the economy to recover. Perhaps not to pre-pandemic levels but at least to be in line with the global average ².

1. Department of Statistics Malaysia, [Salary & Wages Report & Employed Person by Industry Report, 2020](#)
2. The Economist, [The Global Normalcy Index, 2021](#)

Talent Demand Update

ManpowerGroup recent Talent Shortage survey found that 69% of employers globally – a 15-year high – are reporting difficulties hiring skilled workers. Competition for talent is heating up and companies increasingly need help in finding and reskilling talent for their fast changing needs.

As tech disruption accelerates employers are looking for the right blend of technical skills and human strengths. The top global roles in demand globally are Operations & Logistics, Manufacturing & Production, Sales & Marketing, IT & Data and Administration ³.

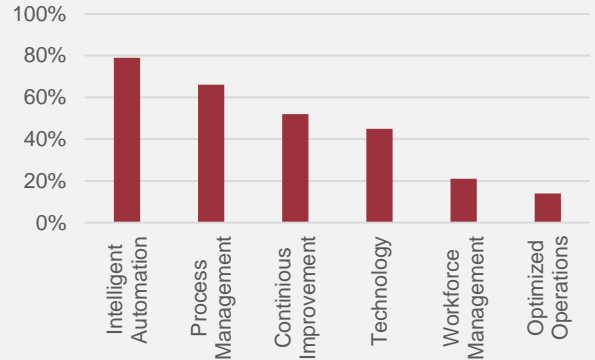
In Malaysia specifically we are seeing a similar trend. What is interesting for BPO sector is that one the highest roles in terms of demand growth in 2021 compared to 2020 is Content Moderation. In addition Call Centre and Tele Marketing roles also experienced significant demand increase in 2021 ⁴.



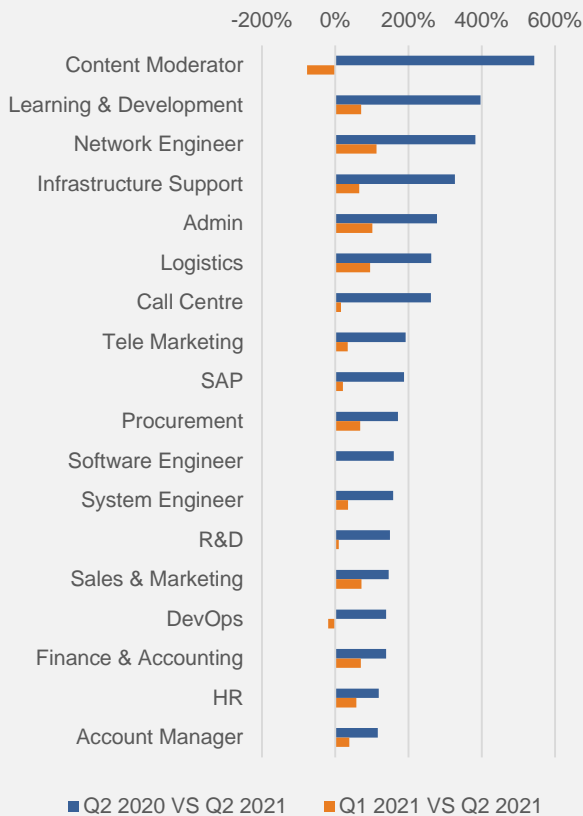
BPOs Dilemma

Feedback from BPOs and Shared Service Centres in Malaysia communicate important skills gaps. These shortages are combined of hard skills such as Data Analytics, IT, and Functional expertise, and soft skills such as Innovative Thinking, Leadership, General Business Acumen and Communication. This reality combined with constant pressure to improve organizational productivity, poses a dilemma in how to drive productivity improvement methods ⁵.

Productivity Improvement Methods of BPOs in Malaysia



Changes in Online Job Postings in Malaysia



BPO Talent Preferences

The top 3 considerations candidates in Malaysia look for when considering working for a BPO are Salary, Career Development and Job Security. However it is important to dive deeper into specific needs and expectations under each factor.

Interestingly, unlike average Malaysian candidates, Work Life Balance is not one of the top 3 priorities for BPO talent, but Job Security is ⁶.

Malaysian Candidates Preferences in BPO Industry



3. ManpowerGroup, [Talent Shortage Survey](#), 2021

4. ManpowerGroup Malaysia Market Pulse, [Monthly Survey of Job Portals \(Indeed, Jobstreet, Jora, LinkedIn & Monster\)](#), 2020 - 2021

5. Shared Services and Outsourcing Network Analytics, [Productivity Improvement Methods of BPOs in Malaysia](#), 2017 - 2019

6. Jobstreet, [Report of Malaysian Candidate Preferences in the BPO Industry](#), 2020

Questions to help your company align BFSI talent strategies to business goals:



BPO Talent Strategy

- Do you have a talent strategy for BPO?
- Is it agile to shift and change with market and business dynamics?
- Does it understand and plan for future demand?
- Does it define what is core and non-core skills of BPO talents in your organization from a resourcing standpoint?



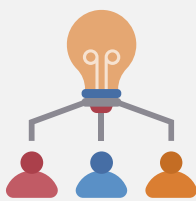
Existing Resources

- Do you know who ALL of your BPO workforce is (FTE, Contingent, Freelance, Outsourced)?
- Do you understand the effectiveness of your resourcing models and the modification levers?
- Do you know your BPO talent core and non-core skillsets?



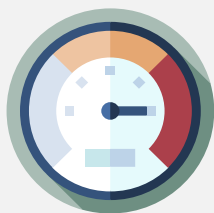
Talent Mix

- What positions are best filled by perm BPO employees VS contingent BPO workers?
- How do you decide whether to hire full-time, contract BPO talents or outsource for near and long-term needs?
- How to evaluate costs and benefits of virtual or alternative workforce solutions?



Internal Collaboration

- Are your talent/HR and sourcing/procurement departments aligned with BPO strategies and collaboration for best business results?
- Does the business include this collaboration in their planning and strategy for more effective results to demand?
- Does Exec leadership understand the value of this alignment and how best to utilize for business outcomes?



BPO Workforce Productivity

- What incentives and reward mechanisms can be deployed to improve BPO workforce output?
- How can you streamline processes for better efficiency?
- What KPIs are actually important to be measured?
- What work models are most efficient in driving output?