

Talent Market Snapshot

Telco Industry – Malaysia

Key Areas of Consideration

- Commoditised offerings from industry players with differentiation mainly in areas such as pricing and customer service.
- The market has reached near full saturation in terms of individual users rendering business growth ever more challenging.
- Increased requirements of capital expenditure for 5G infrastructure deployment along with compliance burdens.
- Opportunities for introducing new services that are enabled by 5G technologies especially in the B2B sector to monetise investments.
- Larger focus on users' data management, analysis and security.
- Talent shortage in areas that are crucial for future growth.



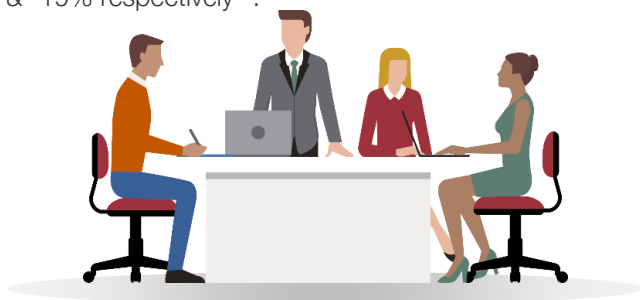
Labour Market Impact

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.

Some sectors experienced growth. The Financial and Insurance, Wholesale and retail trade, repair of motor vehicles and motorcycles, Electricity, gas, steam and air conditioning supply, Human health and social work activities & Information and communication sectors grew by 11%, 7% and 6% and 4% respectively in 2020.

More recently, the highest growth of filled jobs in Services was in ICT Sub Sector of 4% in Q1 2021 VS Q4 2020.

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.



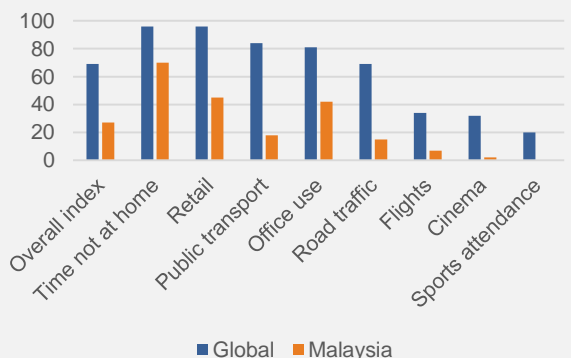
Bumpy Road of Recovery

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 behaviour 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 , Q1 Employment Statistics & 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 ³.

In Malaysia the Critical Occupations List highlights several positions that are needed by the Telco industry. They were mainly in IT & Networks, Data Security & Analysis, Business Development & Content Creation ⁴.

We are observing solid demand growth across these positions in Malaysia. Key skills that are needed by Telco's to introduce new services such as Network Engineers, Developers, Sales & Marketing professionals have all grown since 2020 by an average of 240% and in 2021 by an average of 30% ⁵.

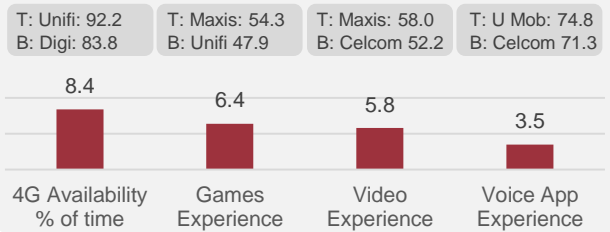


Telco's Dilemma

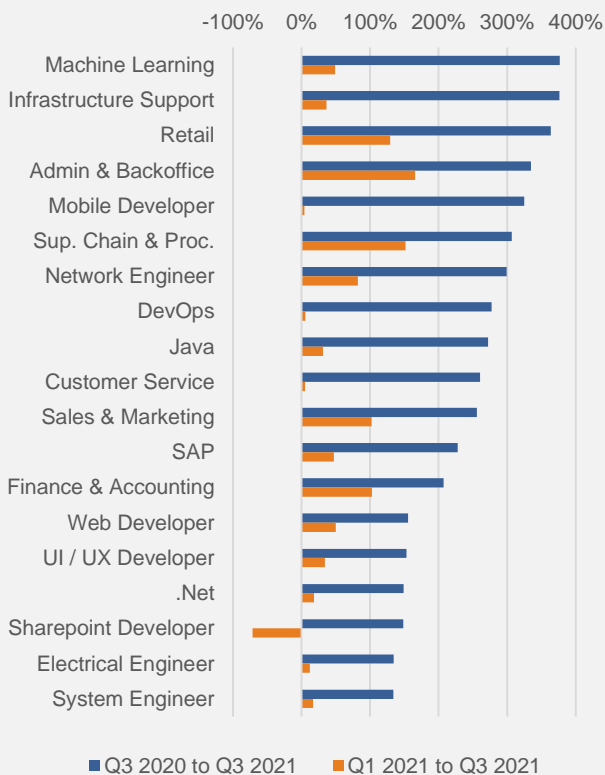
The Malaysian mobile subscriber base is saturated with 137% of population being cellular subscribers ⁶. Moreover, user experience across 5 major providers is relatively same. In fact the difference in experience between top and bottom Telco companies on a 100 points scale is negligible. For example, in video experience, Maxis scored 58/100 as a top performer. Celcom scored 52.2/100 as a bottom performer ⁷.

With the increased reliance on networks as a direct result of the pandemic, Telco providers have a great opportunity to leverage new technologies and introduce 5G enabled services especially in the B2B market. For this, finding the right talent will be a key differentiator that enables business growth.

Difference between top performer (T) & bottom performer (B) in users' experience (100 points scale) ⁷



Changes in Online Job Postings in Malaysia



Telco Talent Preferences

The top 3 preferences candidates in Malaysia look for when considering working in the Telco Industry are Salary, Career Development and Work-life balance.

Interestingly, unlike average Malaysian candidates, in the Telco sector Career Growth takes the second spot as the most important factor rather than Work Life Balance ⁸.

Malaysian Candidates Preferences in Telco Industry



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

4. People Matters, [How Telco's can take a leap in 2020: Interview with Farid Basir, CHRO, Telekom Malaysia](#), 2020

5. ManpowerGroup Malaysia Market Pulse, Monthly Survey of Job Portals (Indeed, Jobstreet, Jora, LinkedIn & Monster), 2020 – 2021

6. CEIC, [Malaysia Number of Subscriber Mobile](#), 2019

7. OpenSignal, [MALAYSIA Mobile Network Experience Report September](#), 2021

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

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



Telco Talent Strategy

- Do you have a talent strategy for your Telco Organisation?
- Is it agile to shift and change with market and business dynamics?
- Does it understand and plan for future demand?
- How to upskill your team members to meet the changing demands of your customers & clients in a contactless environment?



Existing Resources

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



Talent Mix

- What positions are best filled by perm employees VS contingent workers?
- How do you decide whether to hire full-time, contract talent 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 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?



Workforce Productivity

- What incentives and reward mechanisms can be deployed to improve 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?