



Malaysia Pulse Survey Report

Employer – Employee
Perspectives on Employee
Benefits & Wellbeing

July 2025



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About the Employer-Employee Pulse Survey 2025

Aon conducted a study to survey both employers and employees in Malaysia. The overarching objective of these surveys is to find alignment between the perspectives of employers and employees regarding workplace initiatives. By comparing the results, organizations can better understand the needs and preferences of their workforce, allowing them to tailor their benefits strategies and wellbeing initiatives to better meet employee expectations. This alignment is crucial for enhancing employee satisfaction, improving productivity, and ultimately achieving organizational success.

Employer Perception Survey

Survey Period:

May 5 to May 23, 2025

About the Survey:

- conducted among employers in Malaysia to evaluate the effectiveness of their current benefits strategies and how they manage rising benefits costs
- to explore how organizations are implementing wellbeing initiatives to enhance employee satisfaction and productivity, essential for talent retention and cultivating a positive workplace atmosphere



Employee Opinion Survey

Survey Period:

May 26 to June 6, 2025

About the Survey:

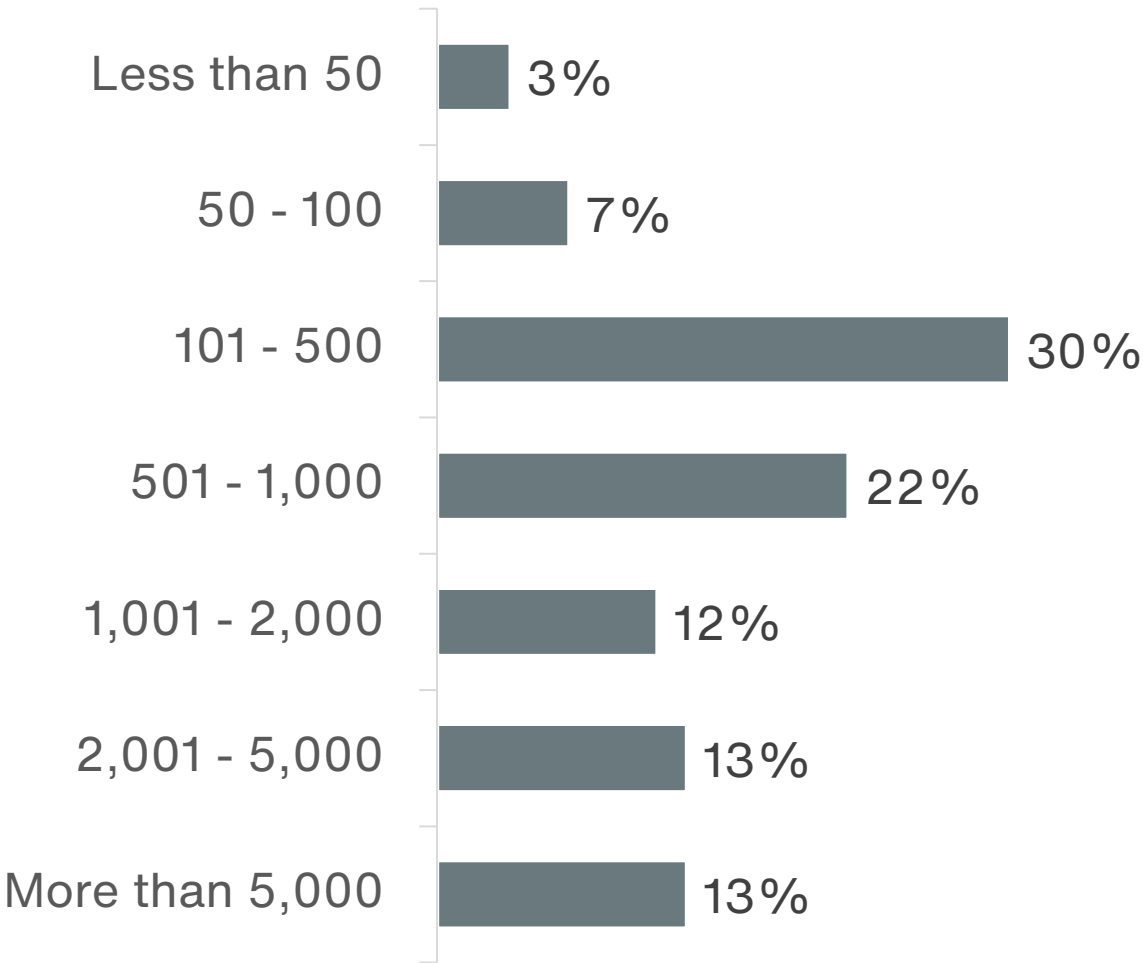
- conducted among employees in Malaysia focused on identifying which workplace initiatives are most valuable, whether related to employee benefits, wellbeing, or work-life balance
- to capture the employees' perspectives on what they find most beneficial and supportive in their work environment

Employer Perception Survey Participant Profile

130 organizations across industries in Malaysia participated in the Employer Perception Survey.

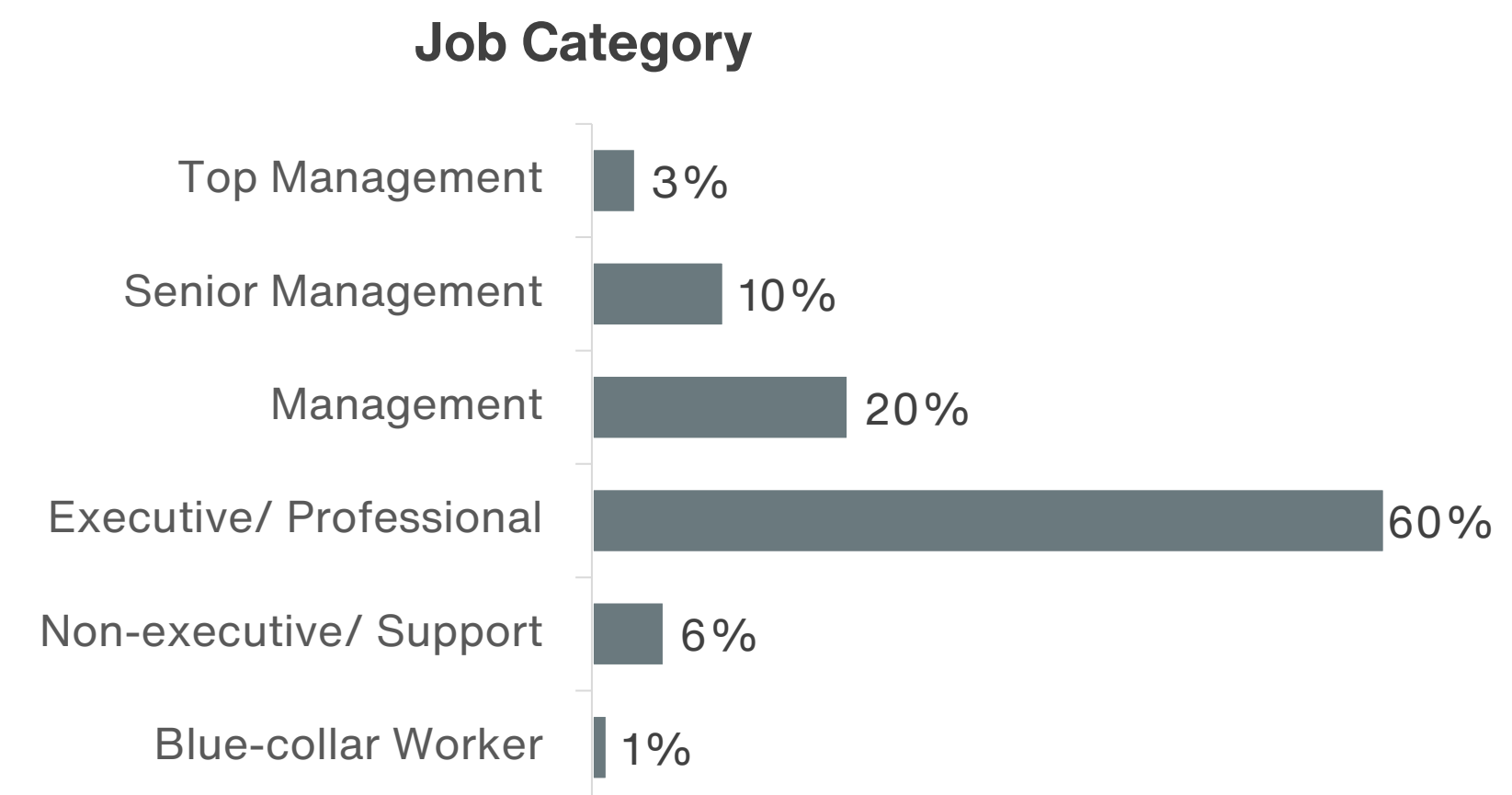
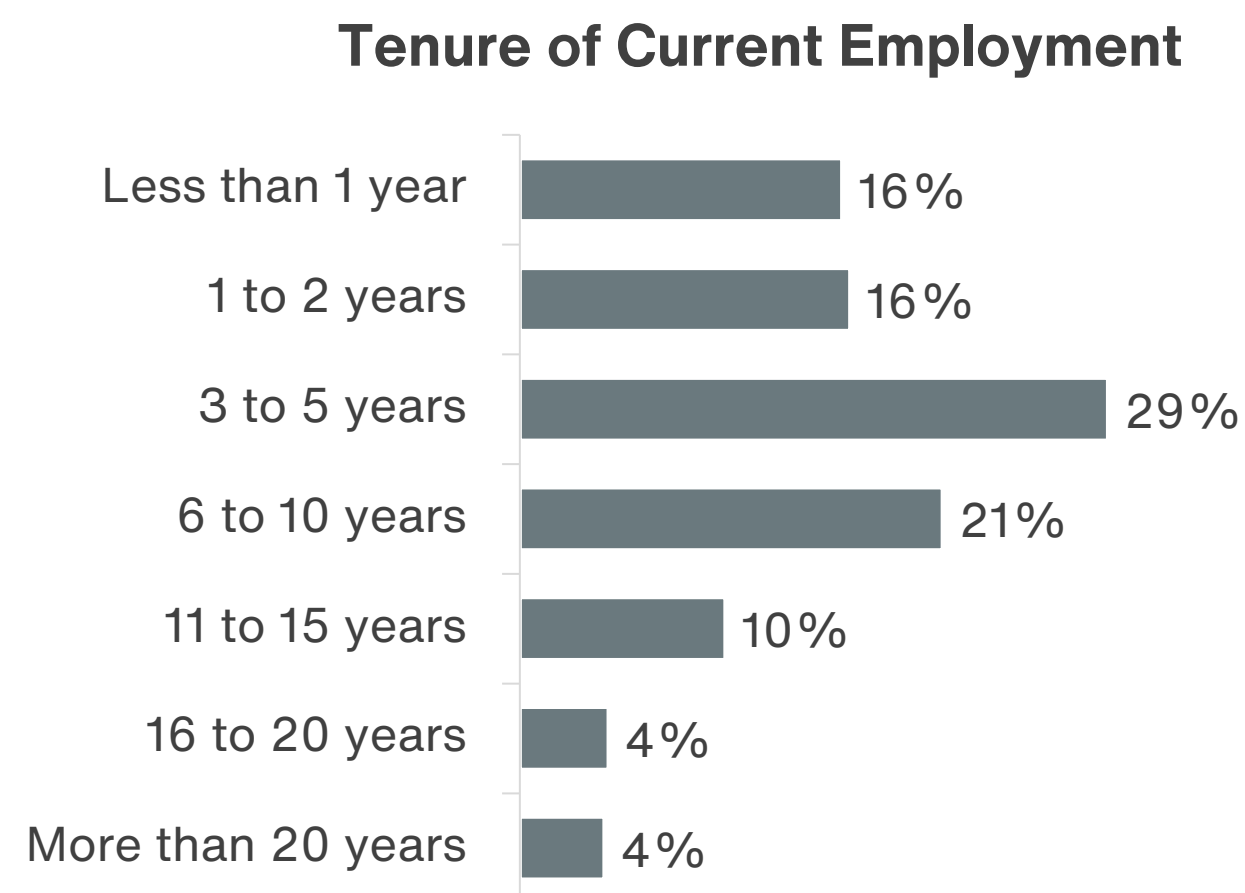
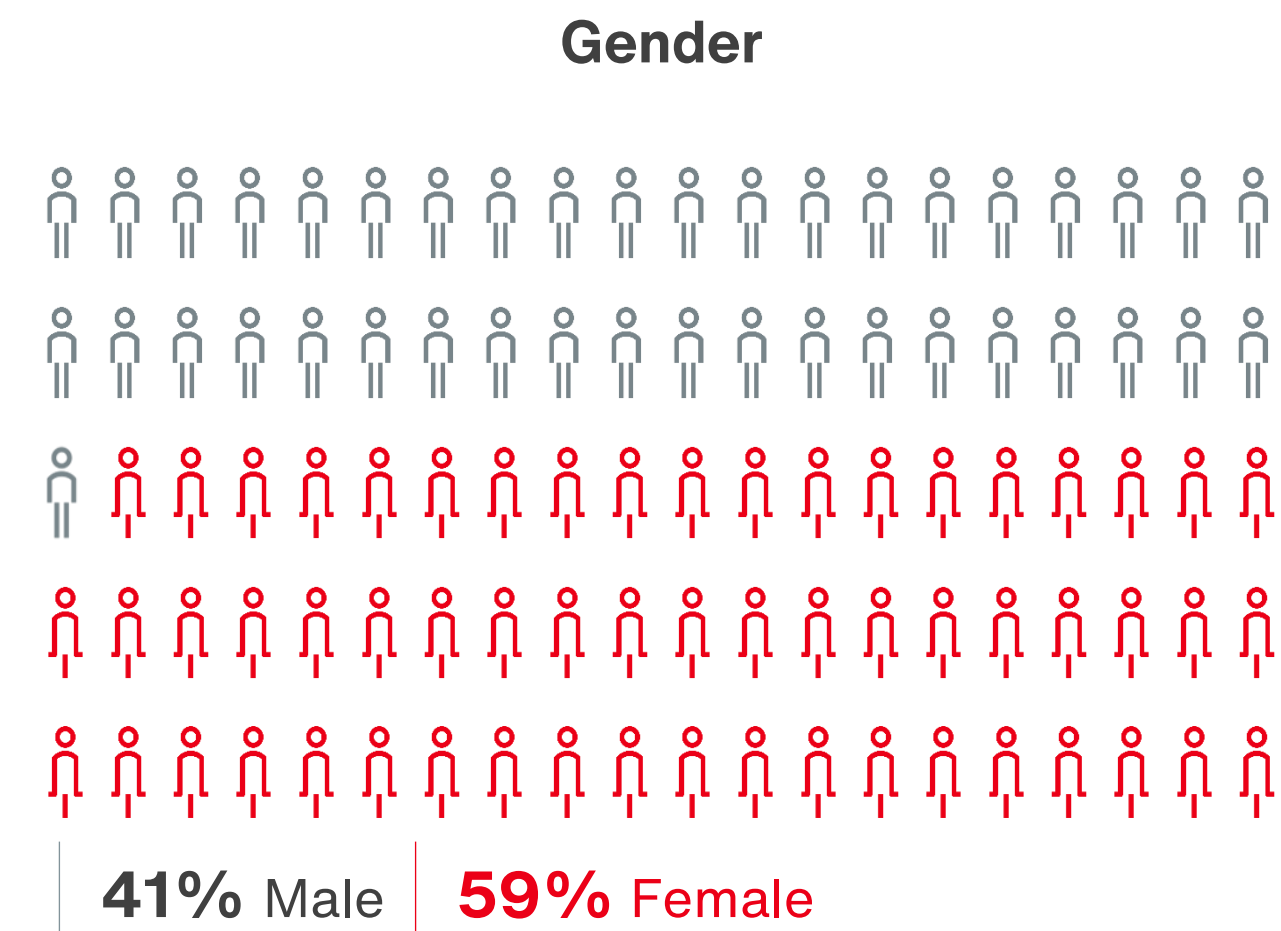
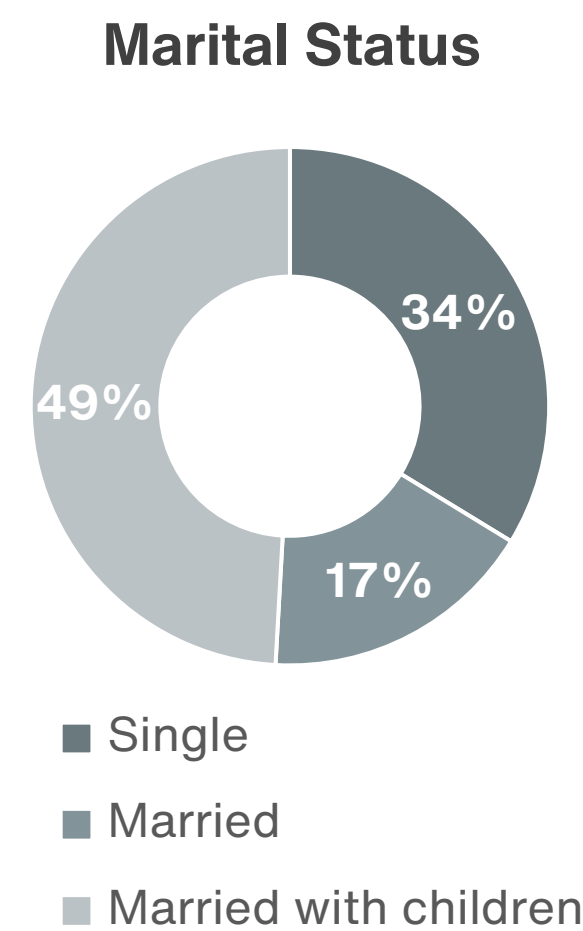
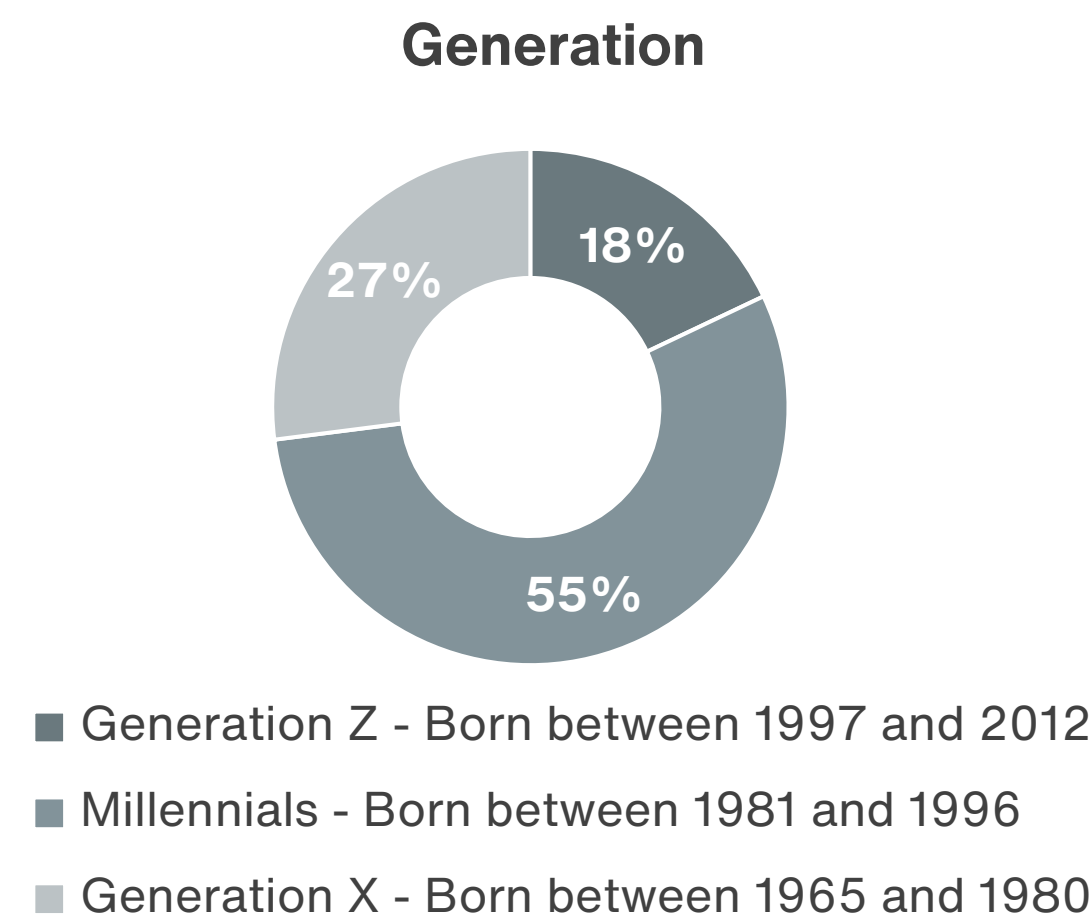


Headcount in Malaysia



Employee Opinion Survey Demographic Profile

507 individuals employed in Malaysia participated in the Employee Opinion Survey.



Executive Summary

In recent years, organizations have been facing challenges in rising employee benefits costs, which impact both employers and employees by straining budgets and reducing disposable income.

Wellbeing is crucial now more than ever due to the increasing pressures of modern life, including rising living costs and workplace demands, which can significantly impact mental and physical health.

Flexible work arrangements have become the norm, driven by the need for work-life balance and allowing employees to balance personal and professional commitments effectively.

The report highlights the need for tailored strategies to meet the diverse needs of employees across generations, emphasizing the importance of all wellbeing dimensions and flexible working arrangements for overall organizational success.



Key Highlights



Compensation is essential for retaining talent

4 out of 10 employees say they are likely to move to a different organization within the next 12 months, particularly employees between 1 to 5 years of service and/or employees ages 30 to 34.

Compensation is the primary factor why employees choose to work or stay in an organization.



Surge in healthcare cost on the radar

Most organizations have experienced annual benefits cost increases ranging from 5% to 10% per annum.

This significant cost increase is primarily due to escalating medical costs driven by the double-digit medical inflation rate and increased benefits utilization by employees.



Bridging the gap in employee wellbeing

Employers and employees place significant importance across all wellbeing dimensions. However, employees' current wellbeing state does not commensurate with the importance placed.

Financial wellbeing is prioritized the most, as it encompasses both managing current responsibilities and planning for future retirement savings.



Flexibility drives employee engagement amidst concerns

Employers and employees recognize that flexible working arrangements enhance work-life balance and provide greater flexibility.

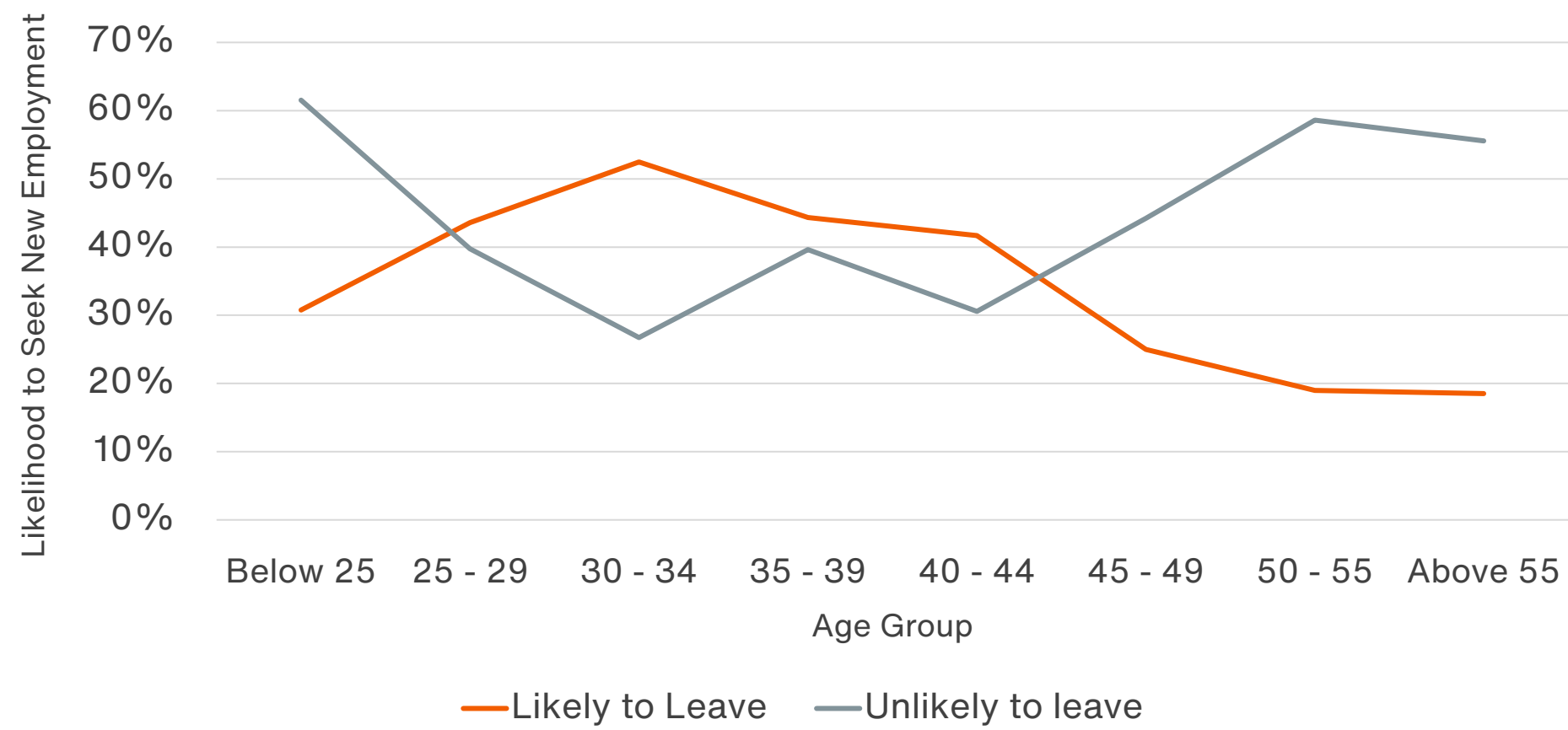
However, there are concerns regarding the lack of interaction and collaboration among colleagues, making it challenging to uphold workplace culture and ensure inclusivity.

Balancing Rewards Components for Multi- Generational Workforce



4 out of 10 employees say they are likely to move to a different organization within the next 12 months. These employees are actively looking for new job opportunities or are open to new opportunities if they arise.

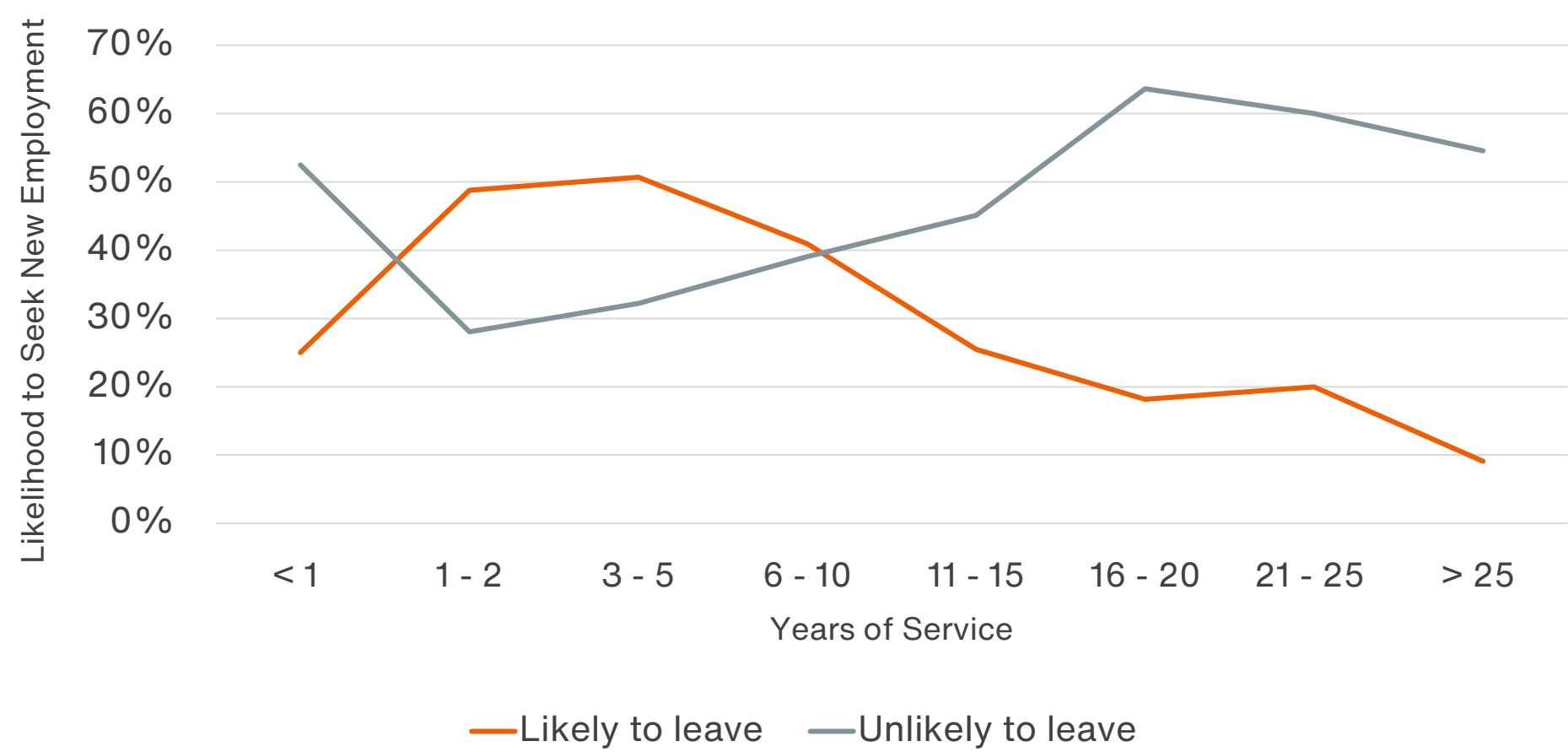
Age vs Likelihood to Seek New Employment



Employees below the age of 25 and/or those with less than 1 year of service are less likely to leave an organization. Individuals in this age group are often in the early stages of their careers, where gaining experience and building a professional foundation is a priority. They may prefer stability to develop skills, gain valuable experience and build their professional portfolio.

Employees ages 30 to 34 and/or those with 1 to 5 years of service has the highest likelihood of seeking new employment. These employees are in a phase of career transition, seeking new opportunities for advancement, better compensation, or a change in career path.

Tenure vs Likelihood to Seek New Employment



Risk of Seeking New Employment by Employee Demographic

	High Risk <i>(more likely to leave)</i>	Low Risk <i>(less likely to leave)</i>
Age	Age 30 to 44	Below age 25 & above age 45
Tenure	1 to 5 years of service	< 1 year & > 10 years of service
Gender	No distinct differences	
Status	Married	Married with Children
Job Category	Executive/ Professional	Top & Senior Management

Importance of Rewards Component to Employees by Generation

	Generation Z born between 1997 to 2012	Millennials born between 1981 to 1996	Generation X born between 1965 to 1980
01	Compensation	Compensation	Compensation
02	Work-life Balance	Work-life Balance	Work Environment and Culture
03	Career Development & Opportunities	Work Environment and Culture	Work-life Balance
04	Work Environment and Culture	Benefits	Benefits
05	Benefits	Career Development & Opportunities	Career Development & Opportunities

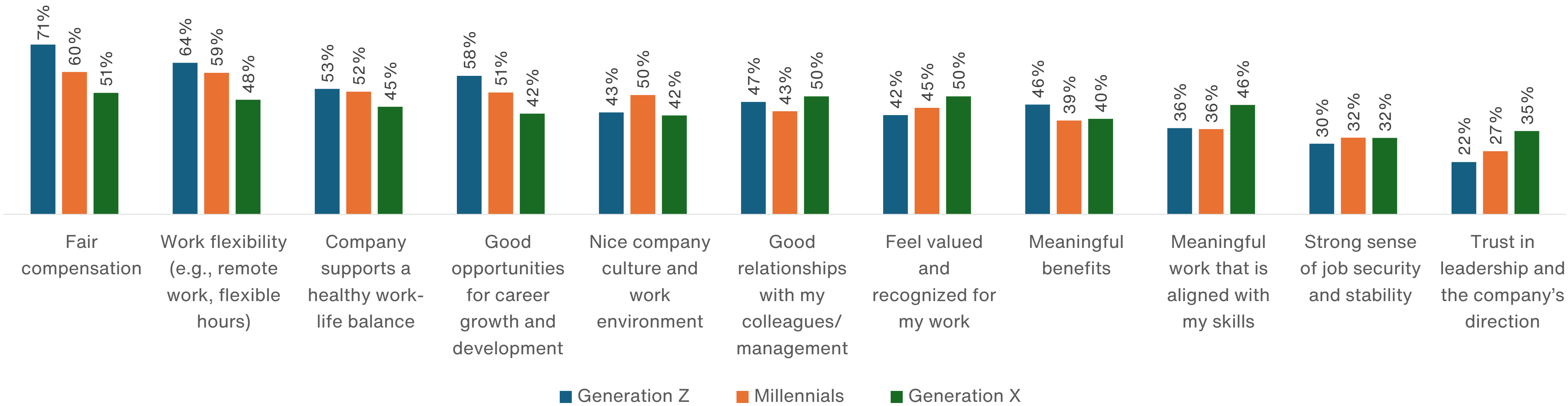
Compensation is the most important component across all generations. It serves as a fundamental hygiene factor in the workplace. Hygiene factors are elements that do not necessarily motivate employees but can lead to dissatisfaction if they are inadequate.

Work Environment and **Work-life Balance** are crucial for Gen X and Millennials. Many in these generations are juggling responsibilities such as raising children and caring for aging parents, so they appreciate flexibility in their work schedules. They also value autonomy in their work. They appreciate environments that allow them to work independently and make decisions without micromanagement.

Career Development and Opportunities is particularly important to Gen Z as they prioritize personal growth, continuous learning, and a sense of purpose in their careers. They are motivated by the potential for advancement and the ability to acquire new skills and knowledge. This generation seeks employers who invest in their development and offer clear pathways for career progression.

These generational preferences highlight the diverse factors that influence job satisfaction and retention, emphasizing the need for employers to tailor their strategies to meet the unique needs of each generation.

Factors Influencing an Employee’s Decision to Work or Stay with an Organization



Fair compensation is the number one factor across all generations that influence employees’ decision to work or stay with an organization. Regardless of generation, employees need to meet their basic financial needs, such as housing, food, healthcare, and education. Fair compensation ensures these needs are met, providing stability and security.

Work flexibility and **healthy work-life balance** is the second and third most important factor. Flexibility and work-life balance allows employees to better balance their professional and personal lives, accommodating responsibilities such as family care, personal health, and leisure activities.

Good opportunities for career growth and development is particularly key to Gen Z as they value continuous learning and skill development. They seek opportunities to expand their knowledge and capabilities, making career growth a key factor in their job satisfaction.

Good relationships with colleagues and management and **feeling valued and recognized** are important to Gen X. Gen X values teamwork and collaboration. Positive relationships foster a cooperative environment, enhancing productivity and creativity. Gen X is typically at a stage in their careers where they have accumulated significant experience and expertise. Recognition affirms their contributions and validates their professional achievements.

Elevating Benefits Value While Optimizing Costs

AON

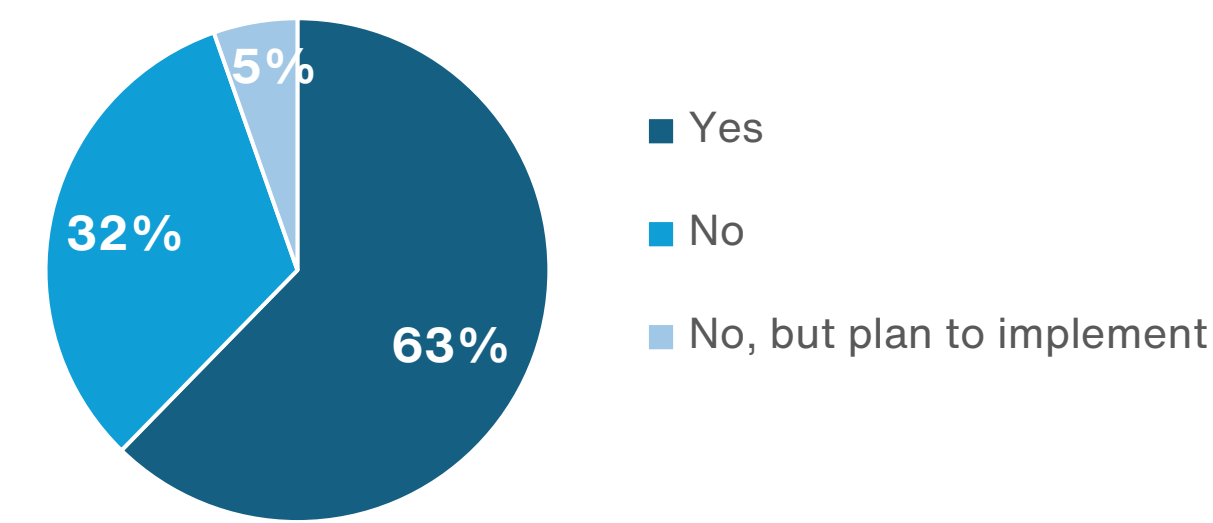


Employee benefits are a crucial component of the overall compensation package offered by employers to attract, retain, and motivate their employees. These benefits go beyond basic salary and wages, it encompasses a wide range of offerings, including medical and insurance coverage, retirement plans, paid leave, and other perks that contribute to the wellbeing and job satisfaction of employees.

In today's competitive job market, employee benefits play a significant role in differentiating employers and enhancing their appeal to potential candidates. They are designed to meet the diverse needs of employees, ensuring their financial security, health, and work-life balance.

Organizations establish a benefits governance framework to manage their employee benefits program effectively, strategically and in compliance with relevant regulations. It provides a structure for decision-making, oversight, and risk management related to employee benefits, ultimately optimizing the value and impact on both the organization and its employees.

Established Governance Framework on Employee Benefits



63% of employers have established an employee benefits governance framework

32% do not have one in place, and have no plans to implement one

5% do not have a governance framework but intend to implement one within the next one to three years.

A robust governance framework helps organizations manage benefits programs efficiently, ensuring it provides value to employees while supporting organizational goals.



82% of organizations have reviewed their employee benefits in the last 3 years.

Organizations constantly review their benefits programs to make it relevant with current environment and employee needs. Though majority of organizations have reviewed their programs in the last 3 years, 80% will continue to review them in the next 3 years and the remaining 20% have no plans or are unsure.

Organizations’ Key Priorities in Their Benefits Review Exercise

	Last Review	Next Review
01	Ensuring compliance and competitiveness	Mitigating increasing cost
02	Optimizing Cost	Optimizing Cost
03	Integrating employee wellbeing programs/ initiatives	Ensuring compliance and competitiveness
04	Supporting flexible working arrangement	Implementing more flexible options and allow benefits personalization
05	Mitigating increasing cost	Addressing diverse employee needs

In the past, **integrating wellbeing programs** and **supporting flexible working arrangement** were key priorities. However, these are no longer a priority as many organizations have already implemented these initiatives. Moving forward we see a big shift towards **mitigating increasing cost** as one of the key priorities of organizations. In addition, organizations are looking at **benefits personalization** to cater to their diverse workforce needs.

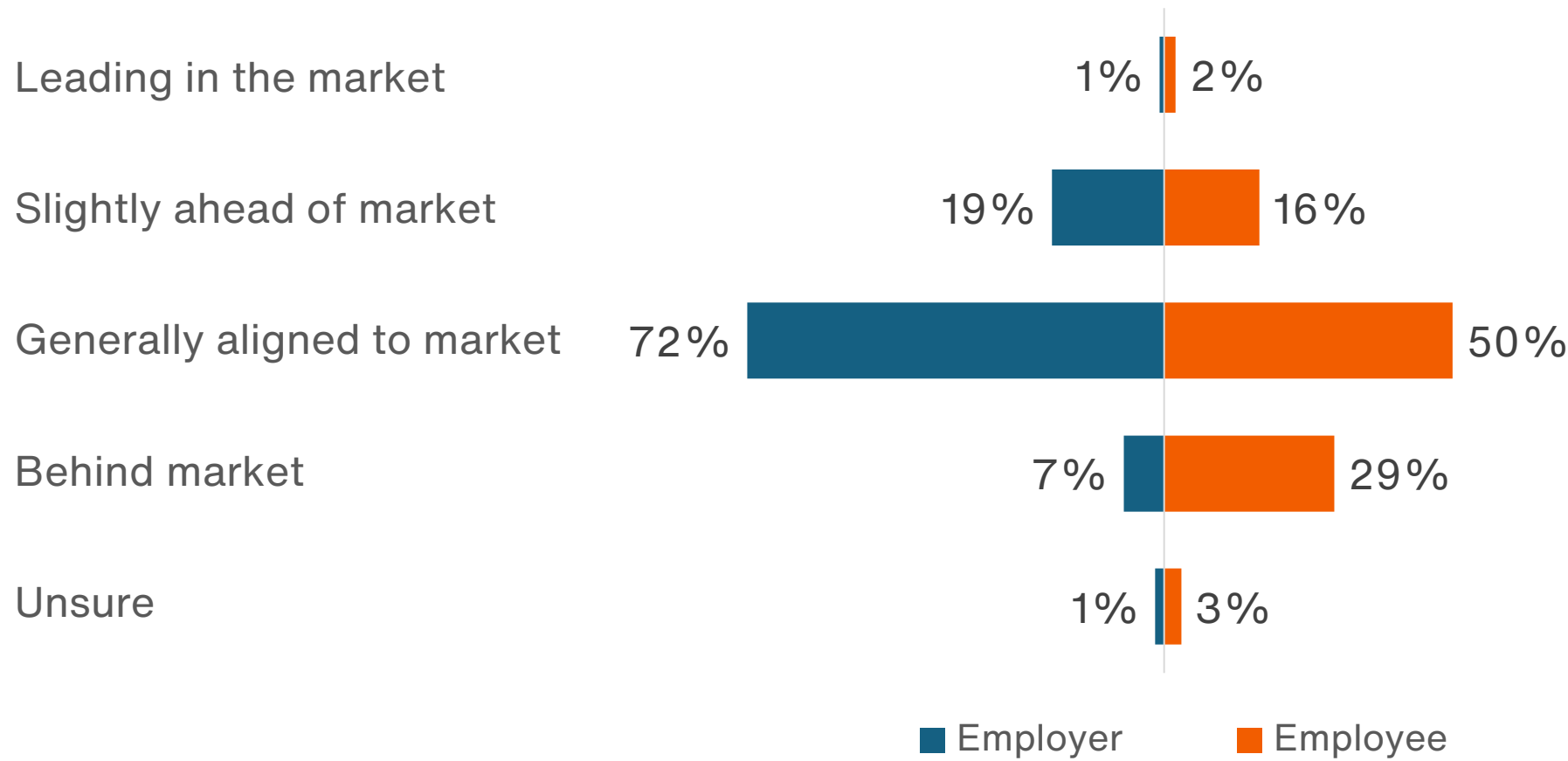
72% of organizations indicated that one of their priorities in the next benefits review is to mitigate cost increase.

How Organizations Gauge the Effectiveness of the Overall Employee Benefits Program



Employee benefits competitiveness is a crucial factor in attracting and retaining talent within an organization. As the job market becomes increasingly dynamic, offering a competitive benefits package can differentiate an employer from its peers.

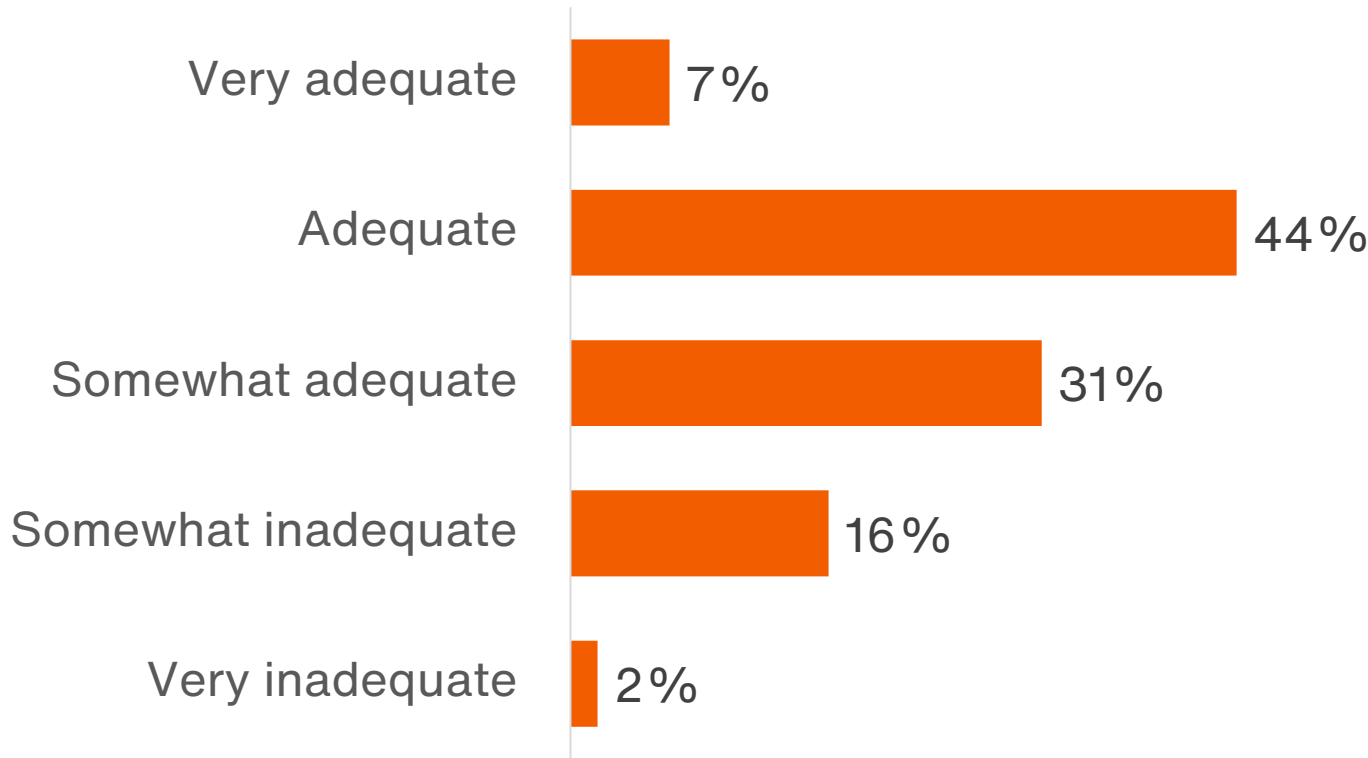
Employer vs Employee Perception on Overall Employee Benefits Package Competitiveness



29% of employees feel their benefits is behind market though only 7% of employers feel the same. This disconnect could be due to miscommunication or lack of transparency about the value and details of benefits which can lead employees to undervalue what is provided.

Apart from being market competitive, adequate benefits are essential for ensuring employee satisfaction, well-being, and retention. When benefits are perceived as sufficient, employees are more likely to feel valued and supported, contributing to a positive work environment.

Employees' Perception on Benefits Adequacy



Majority of employees are happy with the benefits they receive. 82% of employees rate their current employee benefits package as at least somewhat adequate to meet their personal needs.



Gen Z tend to have a more positive perception on their employee benefits competitiveness and adequacy as compared to Millennials and Gen X.

Providing employee benefits is a complex endeavor that presents numerous challenges for organizations. The diverse nature of the modern workforce means that employees have varying needs and preferences, making it difficult to design a benefits package that satisfies everyone.

Top 3 Challenges in Managing Employee Benefits

- 91%

Increasing benefit cost

The rising cost of employee benefits is a significant concern for organizations across various industries. This is largely driven by increasing healthcare expenses, including medical inflation and higher insurance premiums.
- 68%

Employees perceive benefits to be below market

Though 92% of organization indicated that their benefits are either aligned or above market (as indicated in the previous page), majority are concerned that employees do not perceive the same.
- 41%

Insufficient data insights for informed decisions

Without comprehensive and accurate data, organizations may struggle to identify opportunities, mitigate risks, and optimize strategies effectively.

- Other challenges in managing employee benefits include:
- 38%

Benefits outdated, not aligned to current market trends
- 36%

Benefits not able to cater to diverse workforce
- 35%

Employees unclear on employee benefits package
- 28%

Ineffective administration and processes
- 18%

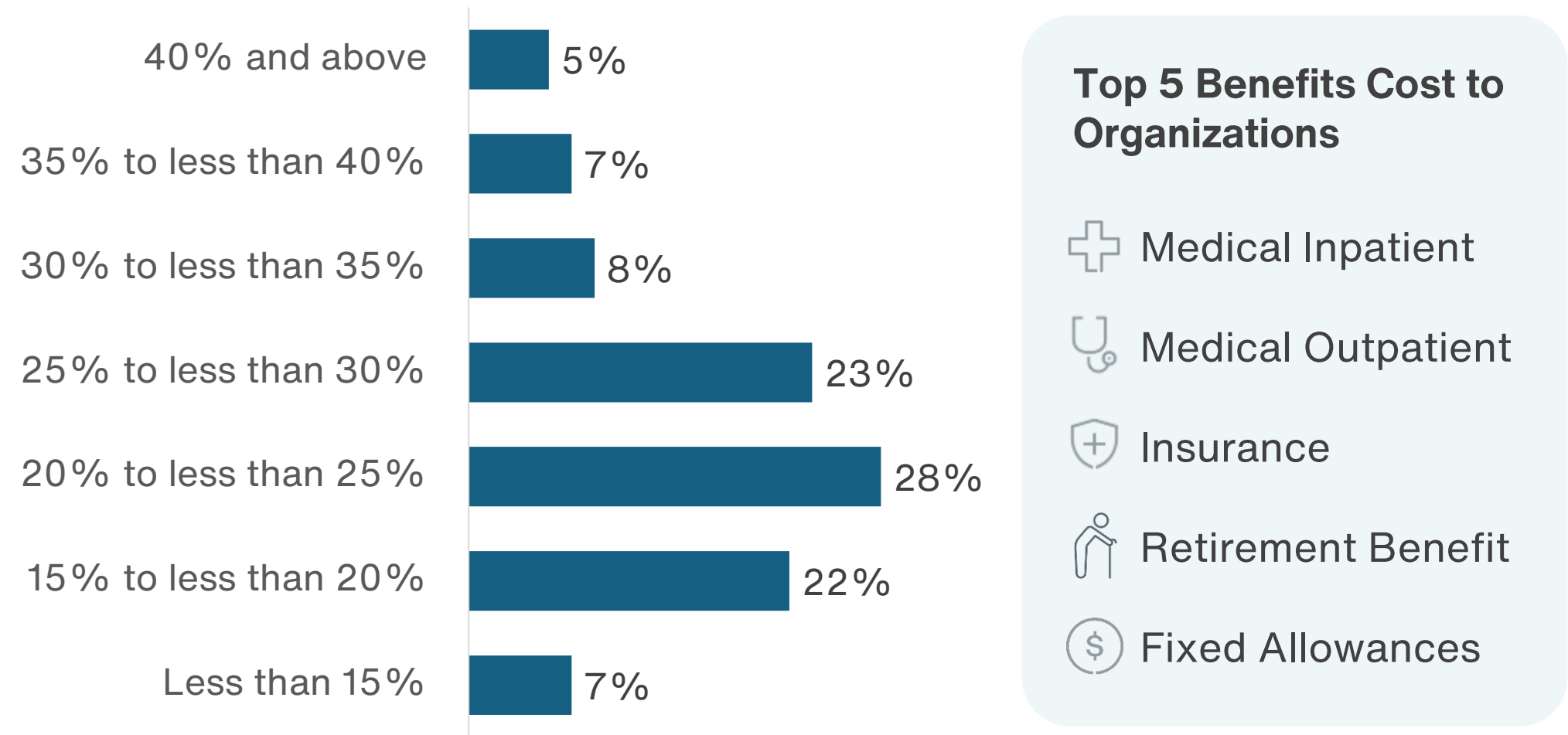
No clear benefits philosophy or strategy
- 17%

Insufficient HR/ benefits team resources and expertise
- 15%

Benefits not able to meet employee needs

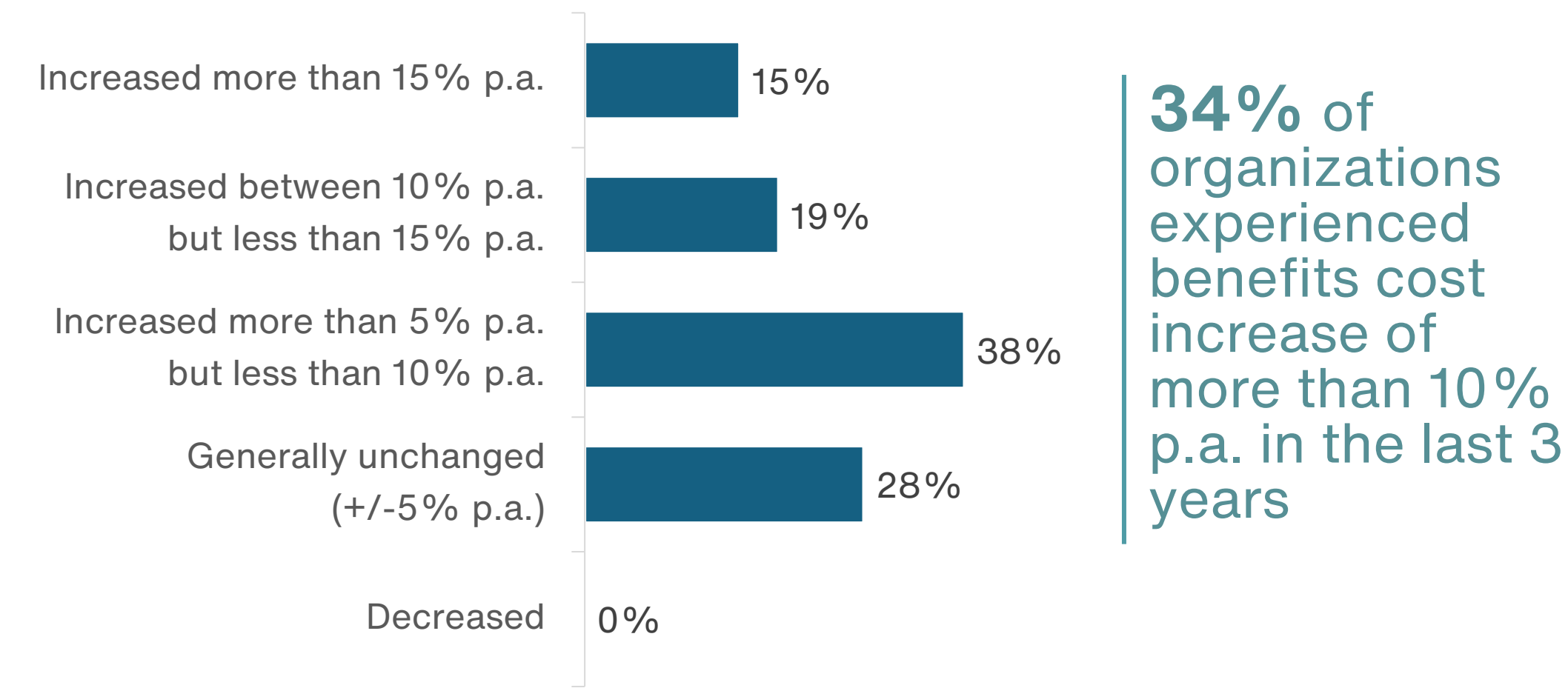
Employee benefits costs is a significant portion of an employee's total remuneration. Majority of organizations indicated that their estimated overall employee benefits cost, including employer's contribution to Employees Provident Fund (EPF) ranges between 15% to 30% of the annual base salary. About 20% of organizations reported that their cost is more than 30%.

Employee Benefits Cost as a Percentage of Annual Base Salary



72% of organizations observed an increase in their overall benefit cost over the last 3 years, with majority experiencing an increase ranging from 5% to 10% per annum.

Overall Benefits Cost Changes Over the Last 3 Years

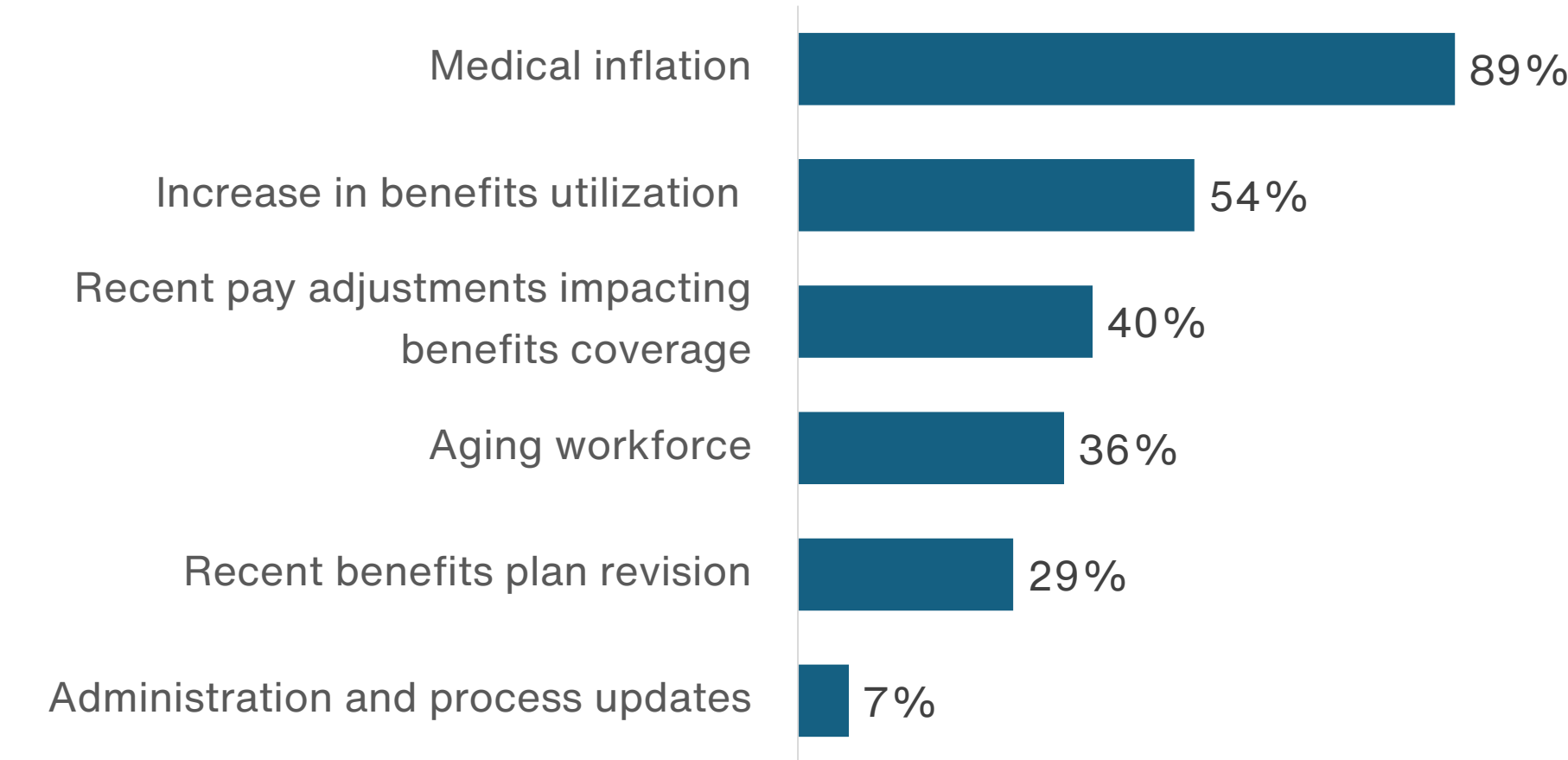


The benefits cost increase in the last 3 years have been higher than general inflation and also higher than the average salary increase budgets, this is a major concern to organizations. These increases often bring unexpected or unbudgeted cost increases.

The increase in benefits cost is primarily due to the medical costs, both inpatient and outpatient. Numerous factors impact medical costs, adding to its complexity and unpredictability.

89% of organization indicated the rise in their benefits costs is primarily due to medical inflation.

Cost Drivers Contributing to the Rise in Benefits Costs

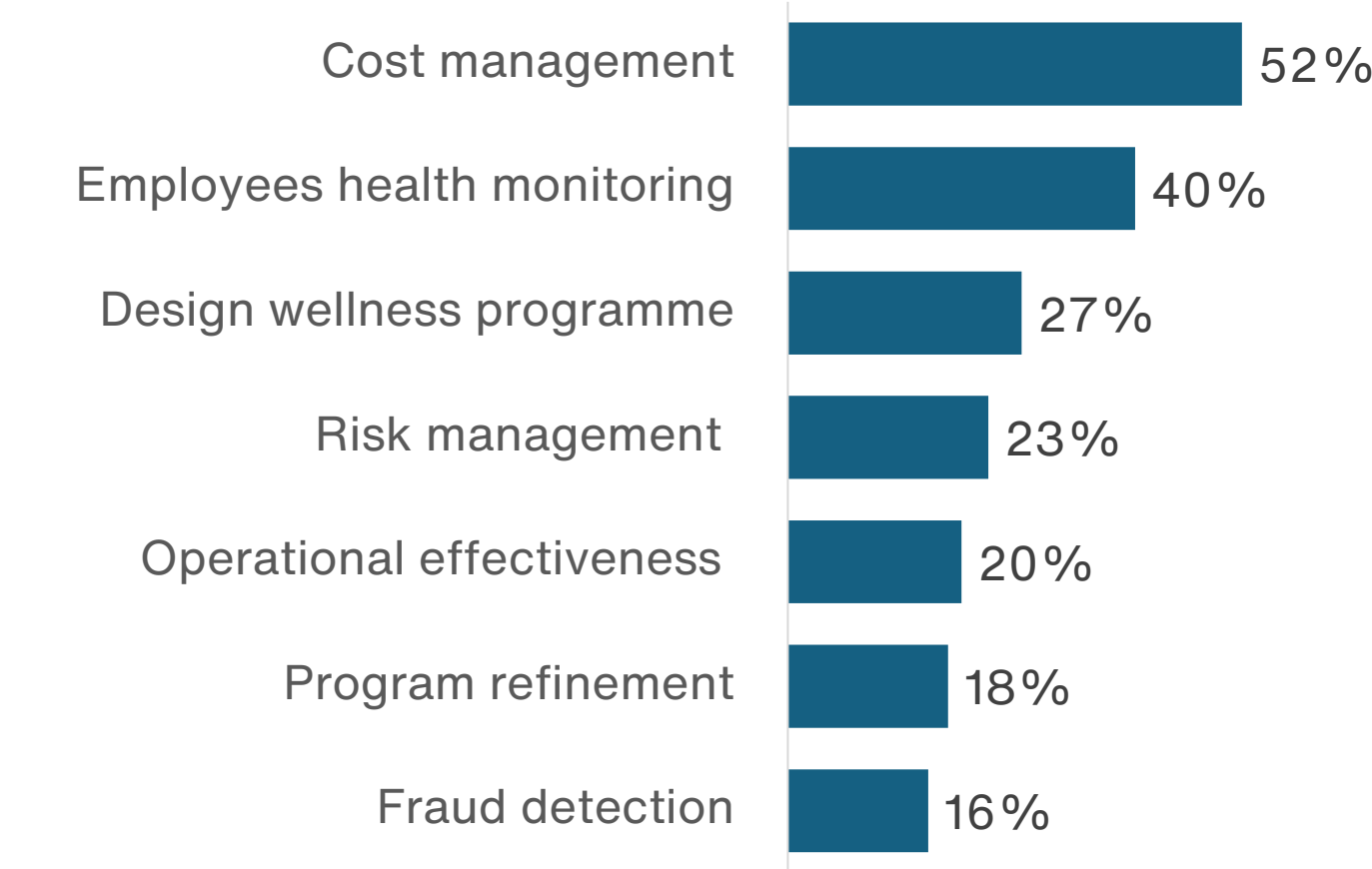


The global average medical trend rate is anticipated to reach double digits, and Malaysia has consistently exceeded the global average rate. The medical trend rate for Malaysia is projected to be **15.0% in 2025** (15% in 2024).

Source: [Aon’s Global Medical Trend Rates Report 2025](#)

63% of organizations conduct medical claims data analysis, this enables organizations to identify trends and patterns in healthcare spending and manage costs more effectively.

Strategic Measures of Medical Claims Data Analysis



The above strategic measures help organizations in identifying prevalent health issues, track the progression of chronic conditions, and implement early interventions, including designing targeted wellness programs that address specific health challenges and improve overall health outcomes.

Actions Taken by Organizations to Mitigate Rising Medical Costs

- 55% Negotiation with existing benefit vendors
- 40% Engage TPA or intermediaries to negotiate better rates
- 37% Mitigation through preventive and early intervention programs
- 31% Impose or reduce benefit caps/ limits
- 28% Using flexible benefit plans to manage employer cost
- 25% Restriction on panel hospitals/ clinics
- 24% Introduce or increase cost sharing arrangement with employees
- 22% Reducing premiums through pooling/ group purchase
- 22% Engage panels for medical related services
- 11% Change benefit eligibility rules

The most common strategies that organizations prioritize are negotiations with vendors or third-party administrators (TPA) as well as leverage on intermediaries' expertise in negotiating to secure better terms and rates.

Mitigation through preventive and early intervention programs in employee benefits involves implementing strategies that focus on preventing health issues before they arise. This approach can lead to reduced healthcare costs and improved employee wellbeing.

Flexible benefit plans often serve as an enabler that influences employee behavior and mitigate medical cost increases by offering benefits that promote healthier lifestyles and cost-effective healthcare choices.



Top 5 Valued Benefits – Employer vs Employee Perspective
















	Employer	Employee
01	Medical Outpatient	Annual Leave
02	Medical Inpatient	Medical Outpatient
03	Annual Leave	Retirement Benefit
04	Retirement Benefit	Insurance
05	Flexible Benefit	Medical Inpatient

The top 5 valued benefits are similar for both employers and employees, reflecting a degree of alignment between employers and employees. However, the prioritization of these benefits differs.

Employees value **Annual Leave** the most as it provides employees the opportunity to rest and recuperate, which is essential for maintaining physical and mental health. It also allows employees to spend time with family and friends, pursue hobbies, and engage in leisure activities, contributing to a healthier work-life balance.

However, employers place a greater value on **Medical Outpatient** as it is a highly utilized benefit due to its accessibility and convenience for individuals seeking healthcare services without the need for hospitalization.

Top 5 Valued Benefits by Generation

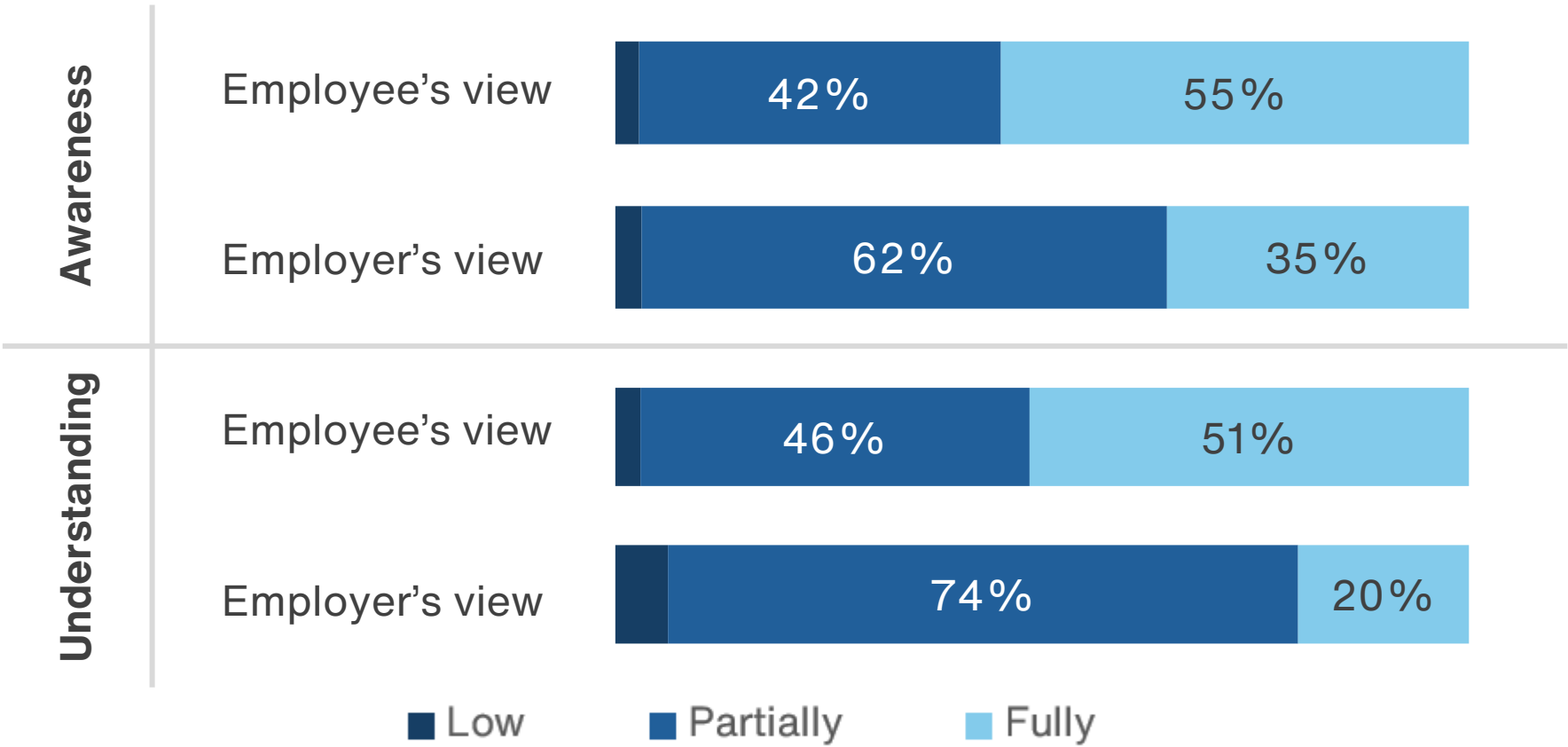
	Generation Z born between 1997 to 2012	Millennials born between 1981 to 1996	Generation X born between 1965 to 1980
01	 Annual Leave	 Annual Leave	 Annual Leave
02	 Medical Outpatient	 Medical Outpatient	 Retirement Benefit
03	 Flexible Benefit	 Retirement Benefit	 Medical Outpatient
04	 Insurance (GTL/ GPA/ CI)	 Medical Inpatient	 Insurance (GTL/ GPA/ CI)
05	 Retirement Benefit	 Insurance (GTL/GPA/CI)	 Medical Inpatient



Employees across generations appreciate annual leave, while Millennials and Gen X tend to prioritize retirement and health-related benefits more than Gen Z, which values flexibility in their benefits.

Benefits packages often include numerous benefit items and details that can be difficult for employees to comprehend. This leads to lack of awareness and understanding of their entitlement.

There is misalignment between employer and employee perceptions regarding benefits comprehension. Employers believe that their employees have only partial awareness and understanding of their benefits, while majority of the employees feel they have full awareness and understanding of the benefits provided.



This misalignment may indicate that employees are unaware of certain aspects or information that could be beneficial to them, indicating they are not fully informed about what they need to know. Therefore, organization should review their communication strategies to ensure that all employees have a thorough understanding and awareness of their benefits.

Effective communication is essential for employees to understand and value their benefits. Using different communication channels ensures that all employees receive the information in an accessible and engaging way.

Current vs Preferred Communication Channels

	Current Communication Channels	Preferred Communication Channels	
		Employer	Employee
01	Email	Intranet portal	Email
02	Intranet portal	Email	Intranet portal
03	Webinar/ townhall	Webinar/ townhall	Digital benefits platform
04	Digital benefits platform	Digital benefits platform	Webinar/ townhall
05	Printed materials	Line manager communication	Personalized total rewards statement

Traditional communication channels, including email and the company intranet portal, are consistently ranked as the preferred methods of communication by both employers and employees.

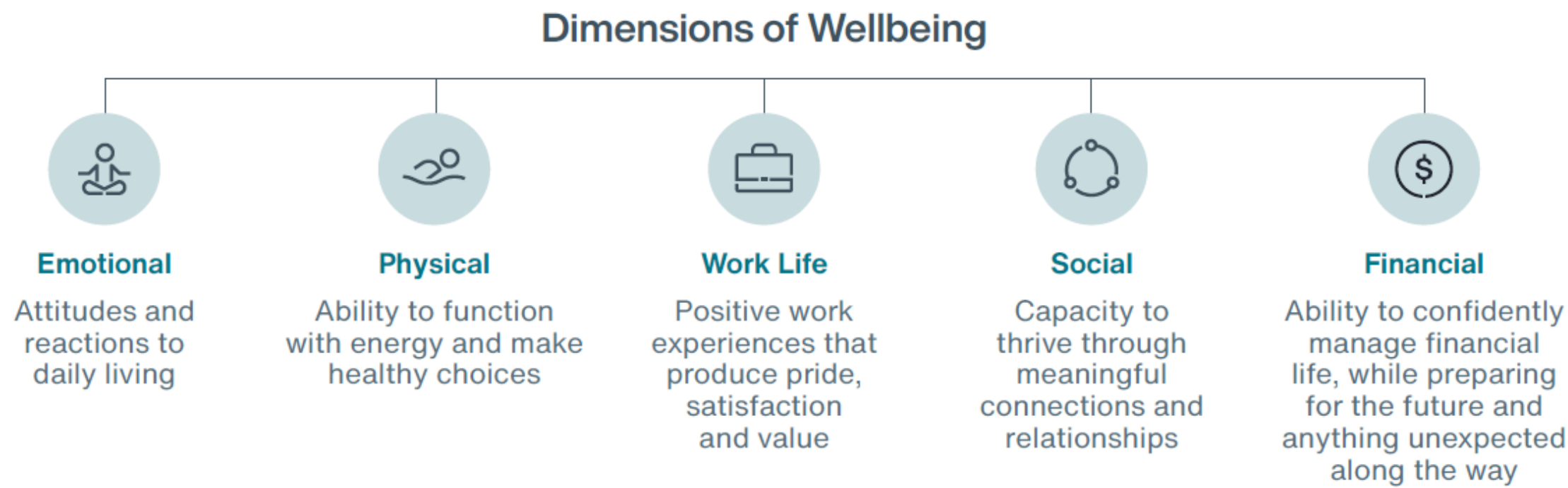
Employees have indicated preference on personalized total rewards statement which provides comprehensive and individualized overview of the compensation and benefits they receive from their employers. By presenting this information in a personalized format, employees can better understand the full value of their employment package.

Wellbeing to the Forefront



Wellbeing is a people and performance strategy that balances resources, opportunities, and commitment to optimizing the health, resilience, and performance of individuals, organizations, and communities.

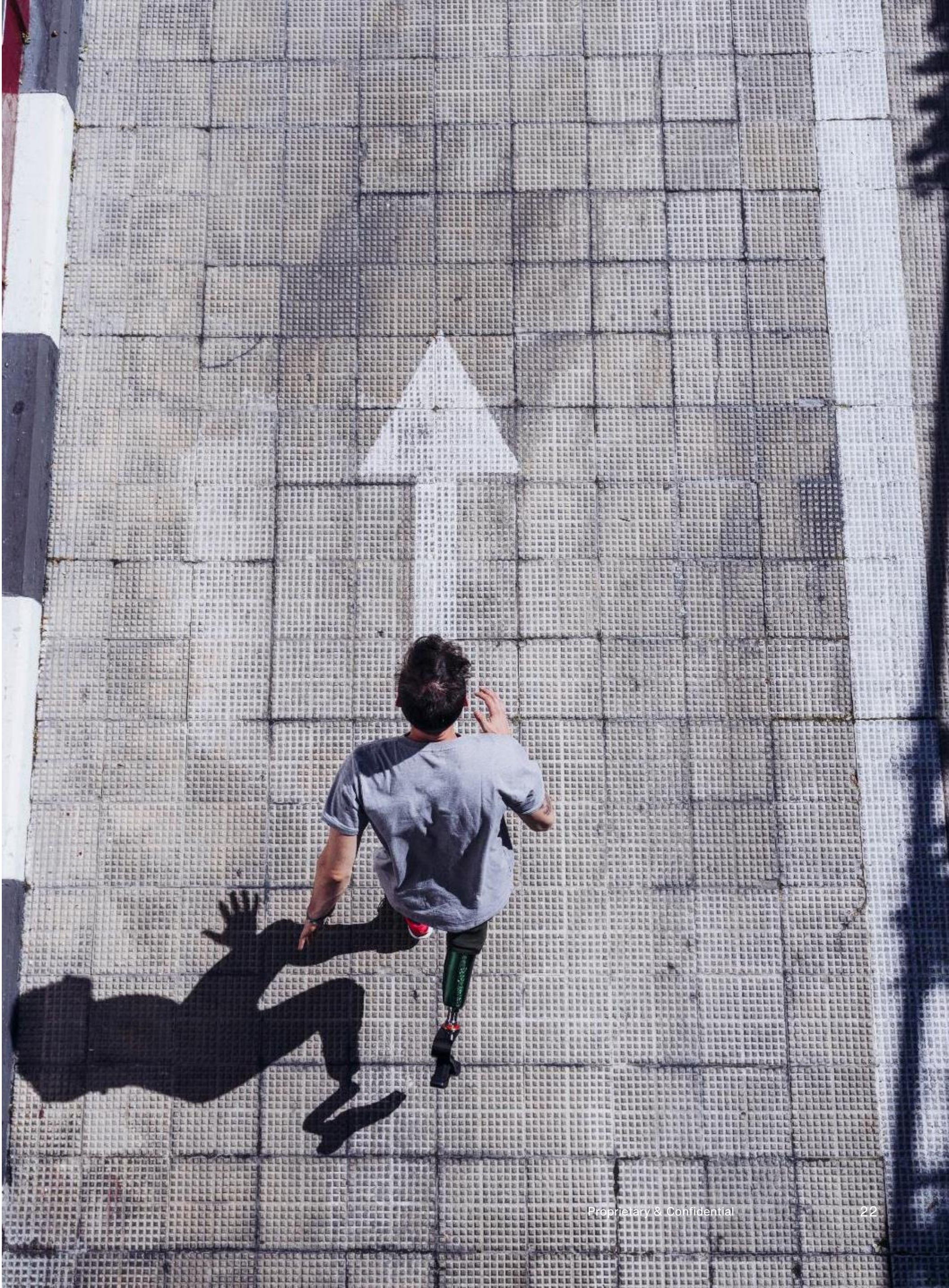
At Aon, we define the five dimensions of wellbeing as emotional, physical, work life, social and financial.





















In recent years, an increasing number of organizations have prioritized employee wellbeing due to its significant impact on productivity, engagement, and overall organizational success. As the understanding of the holistic nature of wellbeing grows, organizations are implementing comprehensive wellness programs to enhance employee satisfaction and drive sustainable business outcomes.

Top 3 Objectives Organizations Offer Wellbeing Programs

- 75%** say to improve employee engagement and workplace culture
- 66%** say to increase productivity and improve business performance
- 59%** say to manage healthcare cost



Top 2 Wellbeing Issues in Malaysia Align with APAC and Global Trends

 Malaysia	 APAC	 Global
 Mental and emotional health	 Mental and emotional health	 Mental and emotional health
 Burnout / Languishing	 Burnout / Languishing	 Burnout / Languishing
 Physical health <i>(i.e. lifestyle, chronic diseases)</i>	 Working environment/ culture	 Working environment/ culture
 Working environment/ culture	 Financial risk and stress	 Talent qualification and reskilling
 Generational needs <i>(i.e. aging workforce, changes in workforce composition)</i>	 Talent qualification and reskilling	 Virtual and hybrid work environment

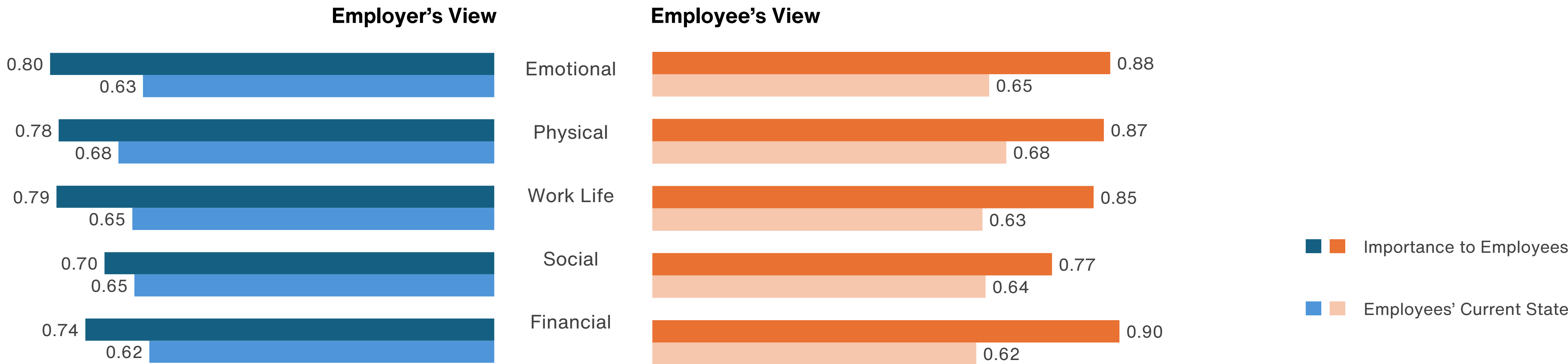
Source for APAC & Global:
[Aon 2022-2023 Global Wellbeing Survey Report](#)
[2023 Asia Mental Health Index, Aon, TELUS Health](#)

Organizations indicate that **Mental and emotional health** and **Burnout/ Languishing** are the top wellbeing issues. These are similar concerns experienced across APAC and Globally, as highlighted in the Aon 2022-2023 Global Wellbeing Survey Report. These issues encompass a range of health conditions, including anxiety, stress, depression and burnout, which can affect employees' overall wellbeing and productivity.

Improving employee wellbeing factors can enhance company performance by **at least 11% and up to 55%**.

Source: [Aon's 2022-2023 Global Wellbeing Survey](#)

Wellbeing Index* – Employer vs Employee View on Importance and Current State of Employee’s Wellbeing



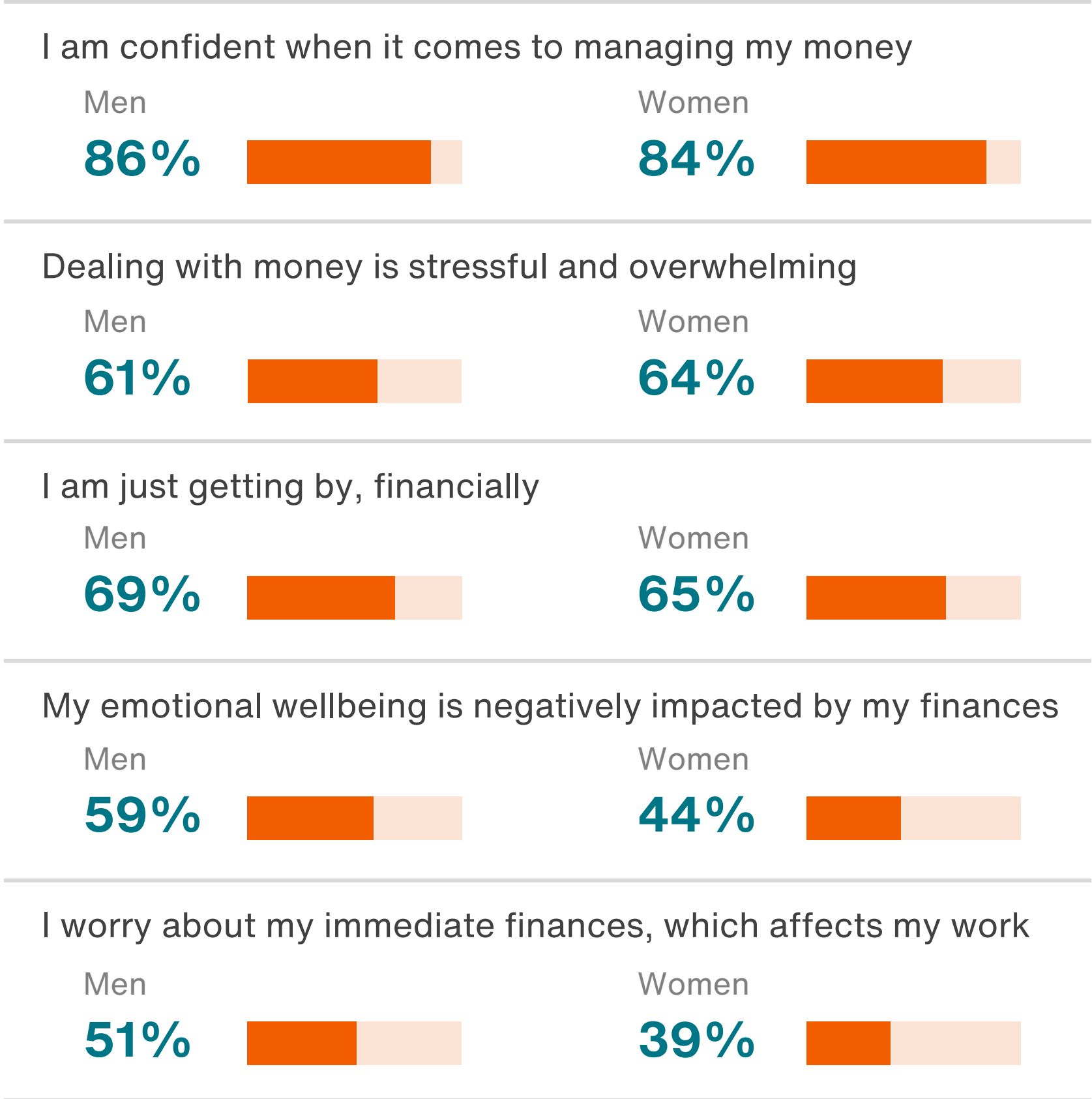
Employees prioritize financial wellbeing most, whereas employers place greater importance on emotional wellbeing. Despite these differing priorities, both employers and employees agree that the current state of financial wellbeing is the weakest among all wellbeing dimensions. This situation underscores the need for organizations to realign their wellbeing strategies, placing greater emphasis on financial wellness to meet employee expectations and improve the overall workplace wellbeing.

There is a gap across all wellbeing dimensions, where the current state of employee wellbeing falls short of the level of importance placed on it.

All aspects of wellbeing are closely linked — for instance, mental health challenges can negatively influence physical health, and financial stress often takes a toll on mental wellbeing. By taking a comprehensive, integrated approach to these dimensions, organizations can foster a supportive workplace that boosts overall employee wellbeing and performance.

Employees rate their financial wellbeing as the most important wellbeing dimension. However, their current state of financial wellbeing is the lowest


* Wellbeing index is developed using a scoring system to transform individual responses into quantifiable scores



Financial wellbeing refers to the state of having a healthy relationship with money, where an individual can meet their current and ongoing financial obligations, feel secure in their financial future, and make choices that allow them to enjoy life.

Most employees are positive about their finances and able to manage their money, there is no distinction between men and women.

However, men are more likely than women to worry and be negatively impacted emotionally by their finances. This could primarily be due to societal expectations and cultural norms that often place men in the role of primary breadwinner, which can lead to increased pressure to provide financially for their families.



Gen Z is less confident in managing finances, they may feel unprepared to manage their finances due to a lack of financial education, leading to stress about budgeting, saving, and investing. In addition, rising costs of living, including housing, healthcare, and education, can contribute to financial stress as Gen Z navigates early adulthood.

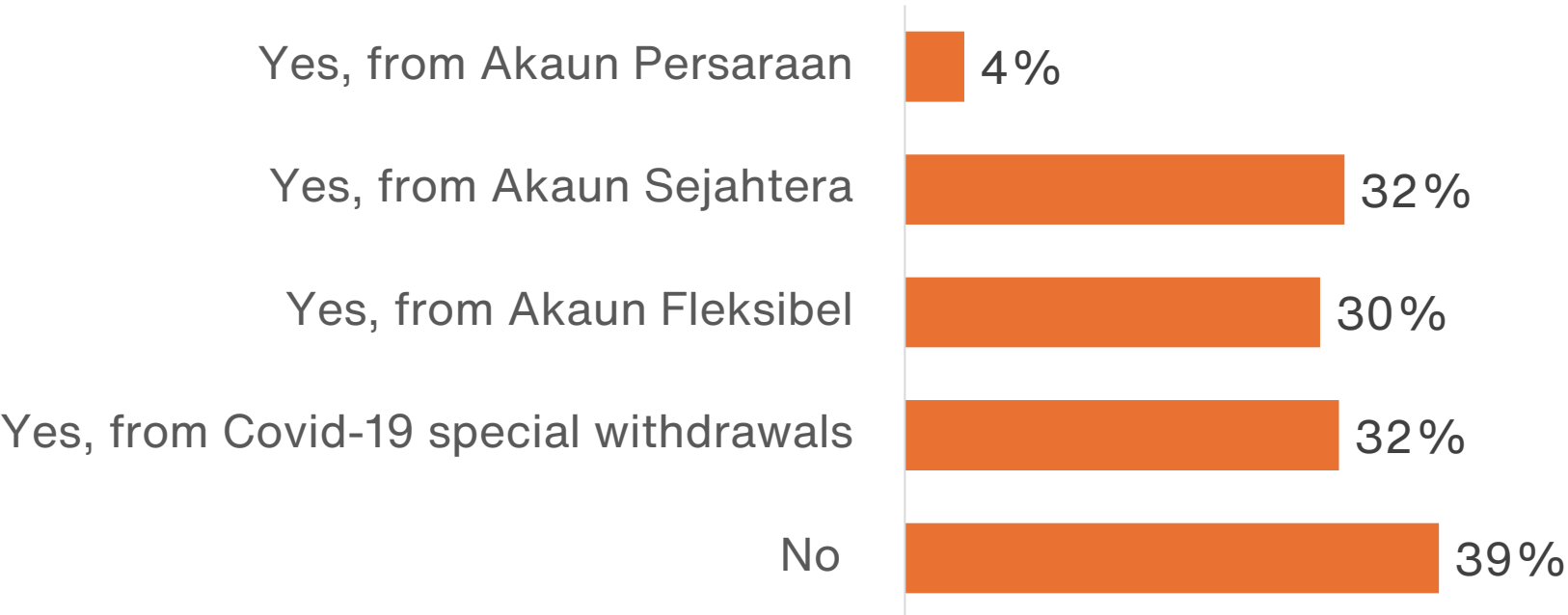





Retirement savings have become a significant concern for companies as they navigate the challenges posed by an aging workforce. Employers are increasingly recognizing the importance of supporting their employees in planning for retirement to ensure financial security and well-being in their post-employment years.

The Employees Provident Fund (EPF) is a key component of retirement savings for Malaysian employees. However, concerns remain about the adequacy of EPF savings, as many retirees find their funds insufficient to cover post-retirement expenses. One of the key reasons for insufficient retirement savings is due to high early withdrawals made by employees.

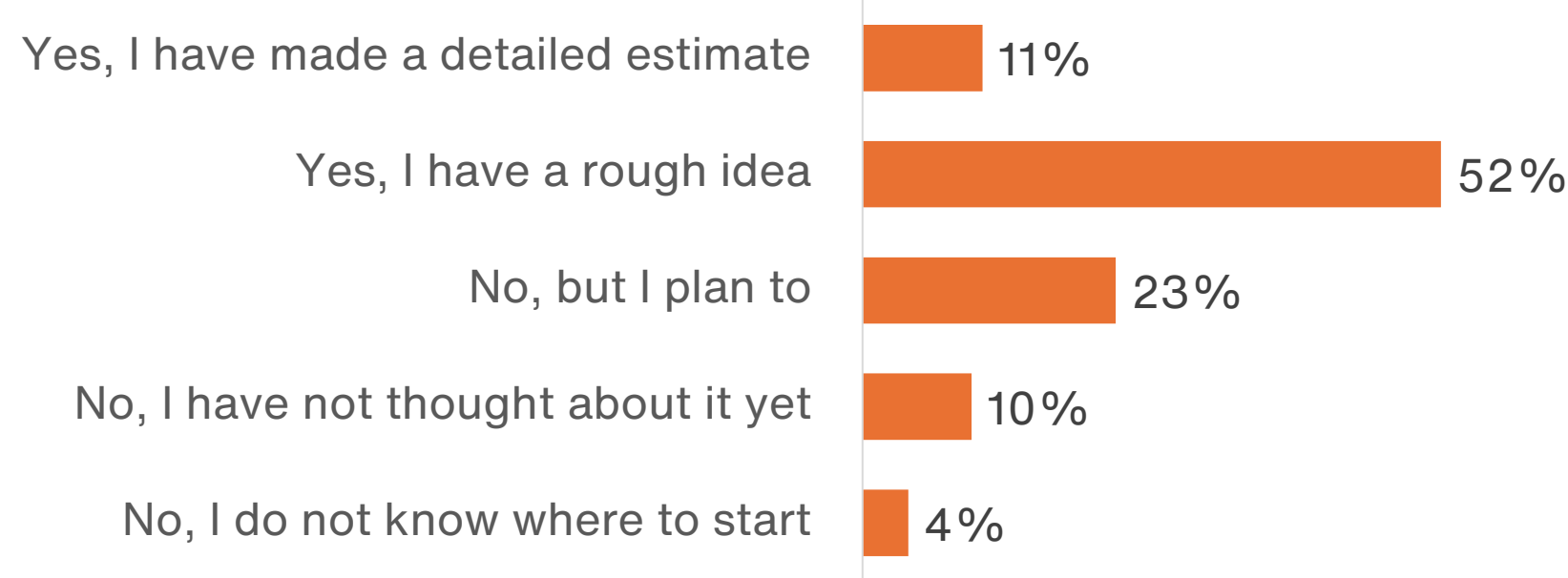
EPF Withdrawals made over the last 3 Years




61% of employees have made early withdrawals over the last 3 years, some even have made multiple withdrawals.

 Millennials have the highest prevalence of EPF withdrawals over the last 3 years, followed by Gen X.

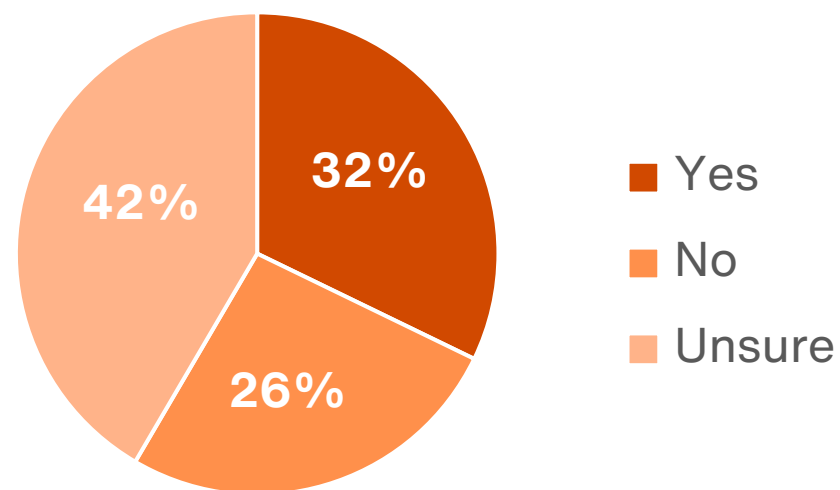
63% of employees have estimated how much income they will need during retirement to maintain their desired lifestyle. Conversely, 37% of employees have yet to establish an estimate for their retirement income needs.



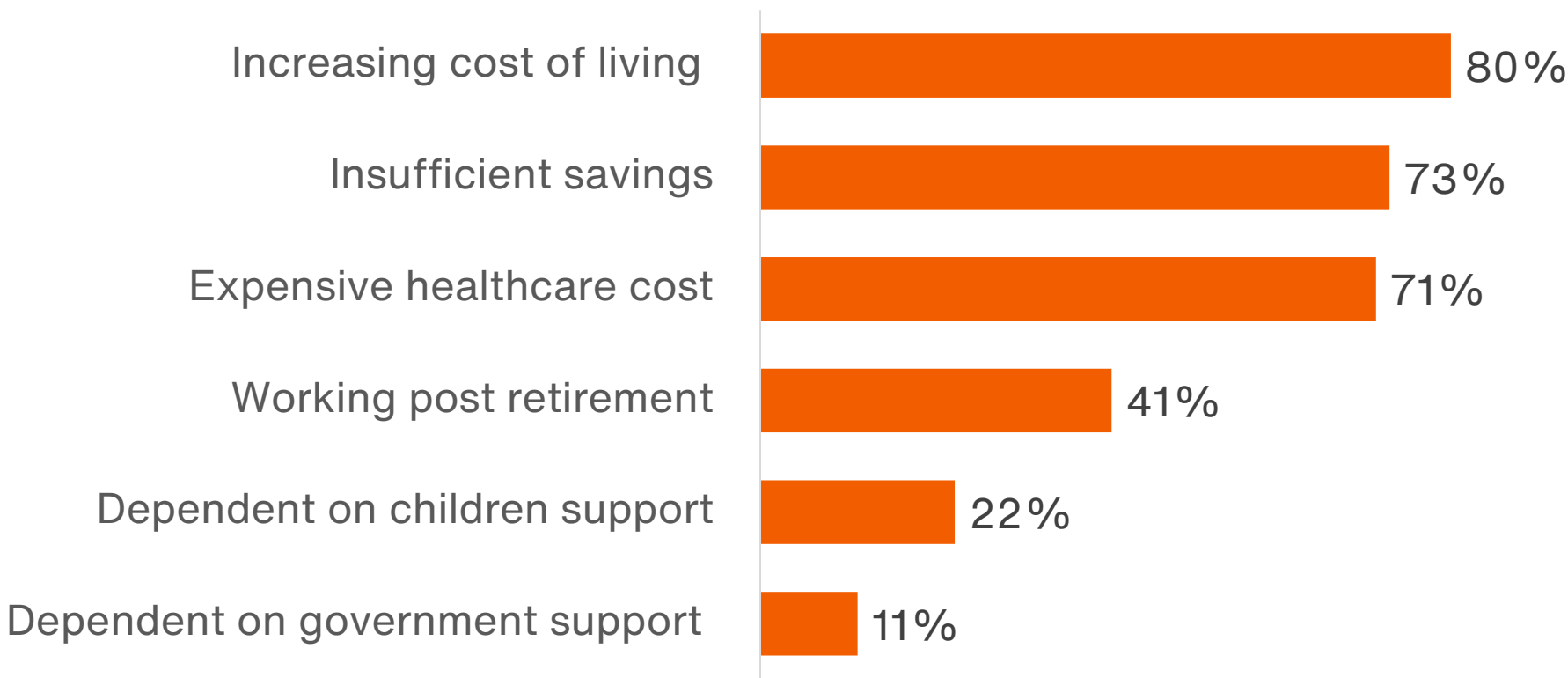
 **74%** of Male employees have estimated their required retirement income as compared to only **56%** of Female employees.

Only 3 out of 10 employees who have made estimates on their retirement income indicated that they are able to meet their target retirement savings.

Ability to Meet Target Retirement Income



Employees' Concerns towards Retirement Planning

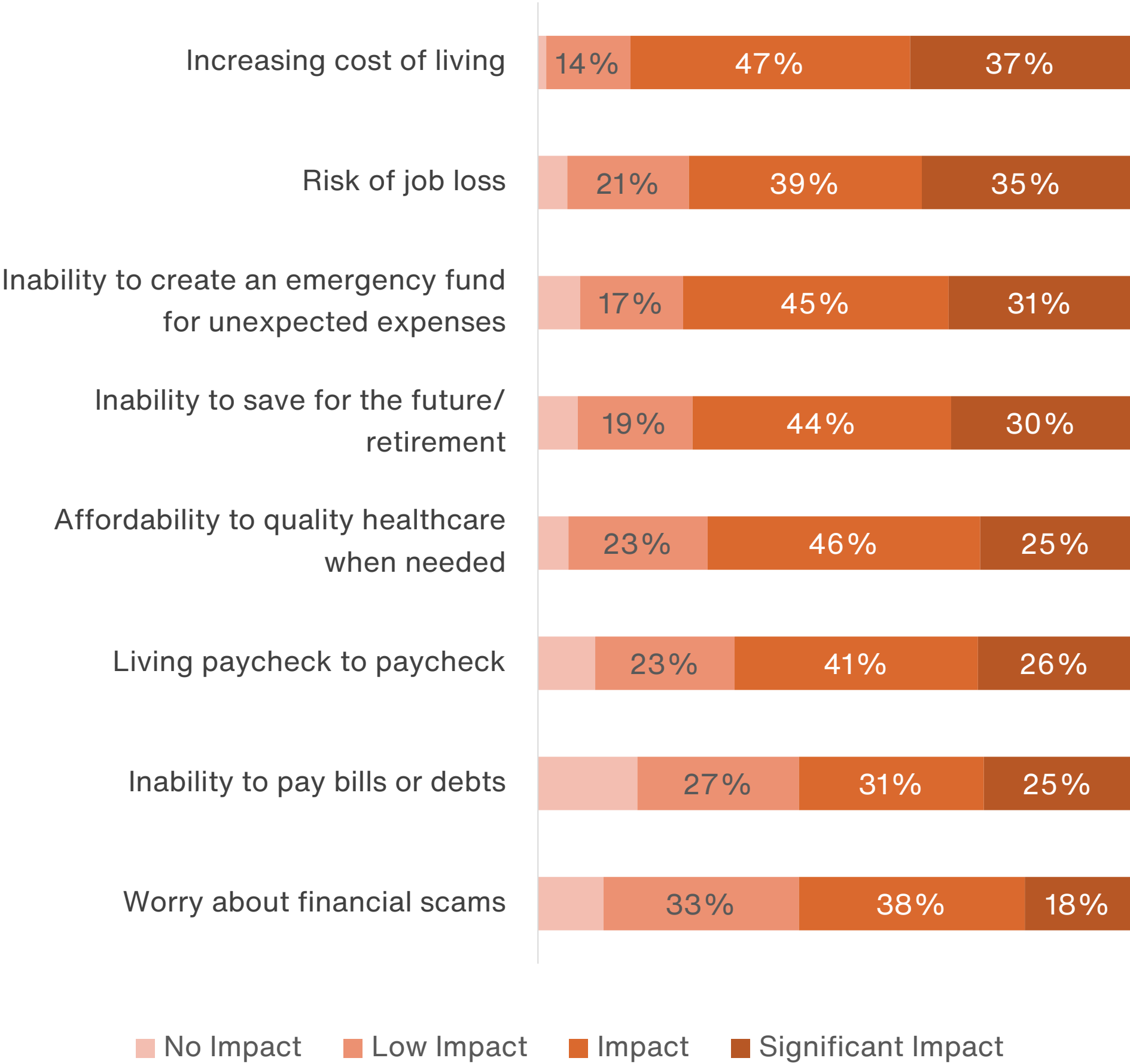


Employees are mainly concerned about escalating costs, particularly healthcare expenses. This is exacerbated by recent hikes that indicate future increases could be volatile and unpredictable, potentially straining their retirement savings.

It is evident that retirement planning and adequacy is a major challenge for employees in Malaysia. Employees may lack understanding of how to effectively save and invest for retirement, leading to inadequate preparation and potential financial insecurity in their later years.

Financial education is essential for employees' retirement planning as it equips them with the necessary knowledge and tools for a secure financial future. Employers can facilitate this by providing education that helps employees make informed retirement decisions, reducing stress and enhancing focus at work.

Financial Stressors Impacting Employees' Wellbeing



The rising cost of living is a significant financial stressor that impacts employees across all generations. As the cost of essential goods and services continues to rise, employees face mounting pressure to meet their basic financial needs. This financial stressor noticeably affects the Gen Z more than the Millennials and Gen X.

For younger generations, who are often entering the workforce burdened with student debt and lower starting salaries, the escalating cost of living can impede their capacity to create emergency fund or save for future and retirement. Meanwhile, older employees may find their incomes or retirement savings insufficient to cover escalating expenses, leading to financial insecurity.

These financial strains can lead to heightened stress and anxiety, impacting mental health and productivity at work.

Organizations may need to consider offering financial wellness programs to support employees in navigating these challenges and maintaining a positive work environment.

84% of employees indicated that increase cost of living has an impact on their financial wellbeing

The term "sandwich generation" refers to individuals who are simultaneously responsible for supporting their children and aging parents. In many Asian cultures, including Malaysia, there is a strong emphasis on family ties and the extended family structure. This cultural expectation tends to place additional financial burdens on individuals, as they may also feel obligated to support even their siblings or other relatives.

Who is Financially Dependent on Employees?



Single Employee

60% are financially responsible for their parents
25% are financially responsible for their siblings



Married Employee

53% are financially responsible for their parents
18% are financially responsible for their siblings
44% are financially responsible for their spouse



Married Employee with Children

51% are financially responsible for their parents
13% are financially responsible for their siblings
57% are financially responsible for their spouse
100% are financially responsible for their children

This multiple financial responsibility can lead to difficulties balancing the costs of children's education, elderly parents' medical and living expenses, and the rising cost of living.

More than 50% of employees are financially responsible for their parents.

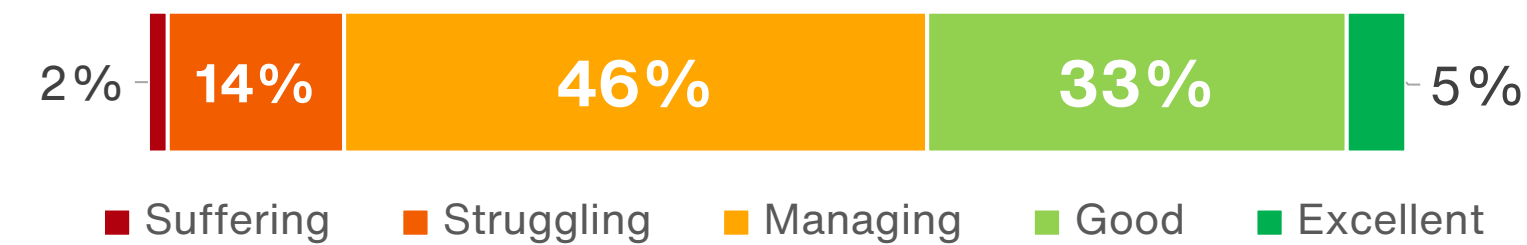
Married employees are financially burdened with managing multiple dependents.






2 out of 10 employees feel they are struggling or suffering with their mental health.

Emotional wellbeing refers to ability to recognize, understand and manage emotions effectively while managing stress and coping with life's challenges.



Gen Z and Millennials have a higher tendency to struggle with mental health. Factors such as economic uncertainty and pressure to succeed in a competitive job market can lead to stress and anxiety. Additionally, the influence of social media can exacerbate feelings of inadequacy and loneliness.

Gen X has often been characterized by resilience and adaptability, which can contribute positively to their mental health.

 Male employees tend to have a more positive perception of their mental health compared to Female employees. Specifically, Male employees are more likely to feel that their mental health is good or excellent.





Mental health is often considered a taboo subject due to several societal and cultural factors. Employees often face barriers in accessing mental health support due to several factors.

Barriers Employees Face in Getting Mental Health Support






- 37% I can manage it myself over time
- 35% Lack of time
- 33% I don't know what type of care is best for me
- 21% Not covered under company medical plan
- 19% High cost of treatment
- 19% I don't know where to get care or support
- 17% Concern that others will think differently of me or what will happen if anyone knows
- 16% Not a priority
- 12% No energy to seek care
- 12% I do not think anything will help

Potential stigma around seeking mental health support can pose challenges for individuals who need help

Top 5 Wellbeing Initiatives Provided by Organizations

	 Emotional	 Physical	 Work Life	 Social	 Financial
01	Employee assistance program (EAP)	Company-sponsored activities	Flexible working arrangement	Team building activities	Retirement benefit <i>(e.g. EPF top-up contributions)</i>
02	Increasing awareness of mental health issues	Ergonomic workspaces	Training and development opportunities	Volunteering or CSR activities	Financial wellbeing education
03	Virtual counseling	Physical health risk assessment	Mobility/ international assignments	Celebrations <i>(e.g. festive, birthdays)</i>	Discounts on products and services through company or preferred vendors
04	In-person counseling	Fitness classes or gym membership subsidy	Subsidize professional organizations memberships	Employee recognition awards	Retirement planning
05	Mental healthcare coverage	Immunizations and vaccinations	Education benefit or sponsorship	Flexible working arrangement	Salary advance option for emergency

Top 5 Wellbeing Initiatives Employees Consider Valuable

	 Emotional	 Physical	 Work Life	 Social	 Financial
01	Emotional wellbeing personal day(s)/ time-off	Ergonomic workspaces	Flexible working arrangement	Flexible working arrangement	Retirement planning
02	Mental healthcare coverage	Fitness classes or gym membership subsidy	Training and development opportunities	Team building activities	Financial wellbeing education
03	Mental/ emotional health assessment	Physical health risk assessment	Career development plans	Celebrations (e.g. festive, birthdays)	Emergency financial assistance
04	Increasing awareness of mental health issues	Company-sponsored activities	Education benefit or sponsorship	Employee recognition awards	Budgeting
05	In-person counseling	Nutrition/ weight management education	Mobility/ international assignments	Recreational facilities	Managing debt or loans

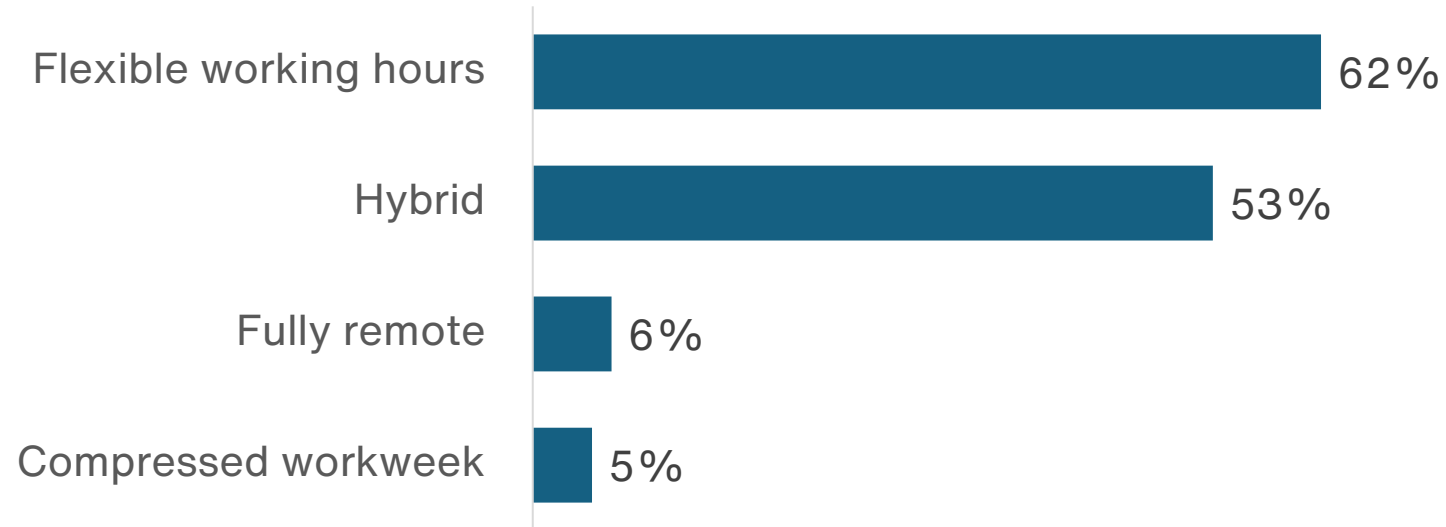
Embracing Workplace Flexibility





Flexible working arrangement in Malaysia have gained traction as businesses and employees recognize the benefits of adaptable work schedules. The COVID-19 pandemic further accelerated the adoption of remote work and flexible schedules.

82% of organizations practice flexible working arrangement. Majority of organizations practice flexible working hours and a hybrid working model.



** Percentages exceed 100% due to some organizations practice more than one policy*

Organizations that implement a hybrid working model would impose minimum requirement to be working in office, 81% practices a minimum number of days per week.

	P25	Median	P75
Minimum number of days per week	2 days	3 days	3 days

The remaining companies that practice hybrid working either impose minimum number of days per month (median: 12 days per month) or minimum percentage of working hours (median: 50% of working hours).

Flexible working arrangements serve multiple objectives and play a crucial role in promoting employee wellbeing.

Organization’s Objective in Promoting Flexible Working Arrangement

- 81% Improved work-life balance
- 74% Attract and retain talent
- 72% More flexibility on time and work location
- 58% More efficient use of time
- 35% Higher productivity
- 36% Increase employee engagement
- 34% Less burnout or fatigue at work
- 19% Cost efficiency (e.g. utilities, space, rental etc.)
- 17% Broaden talent pool selection

80% of organizations responded they will continue the current flexible working arrangement practice and **15%** is looking at reviewing and refining their policies

Employees were surveyed on their work arrangements and majority expressed a preference for a hybrid working model. Those who are already engaged in hybrid or fully remote work arrangements indicated that they prefer to maintain their existing mode of work.

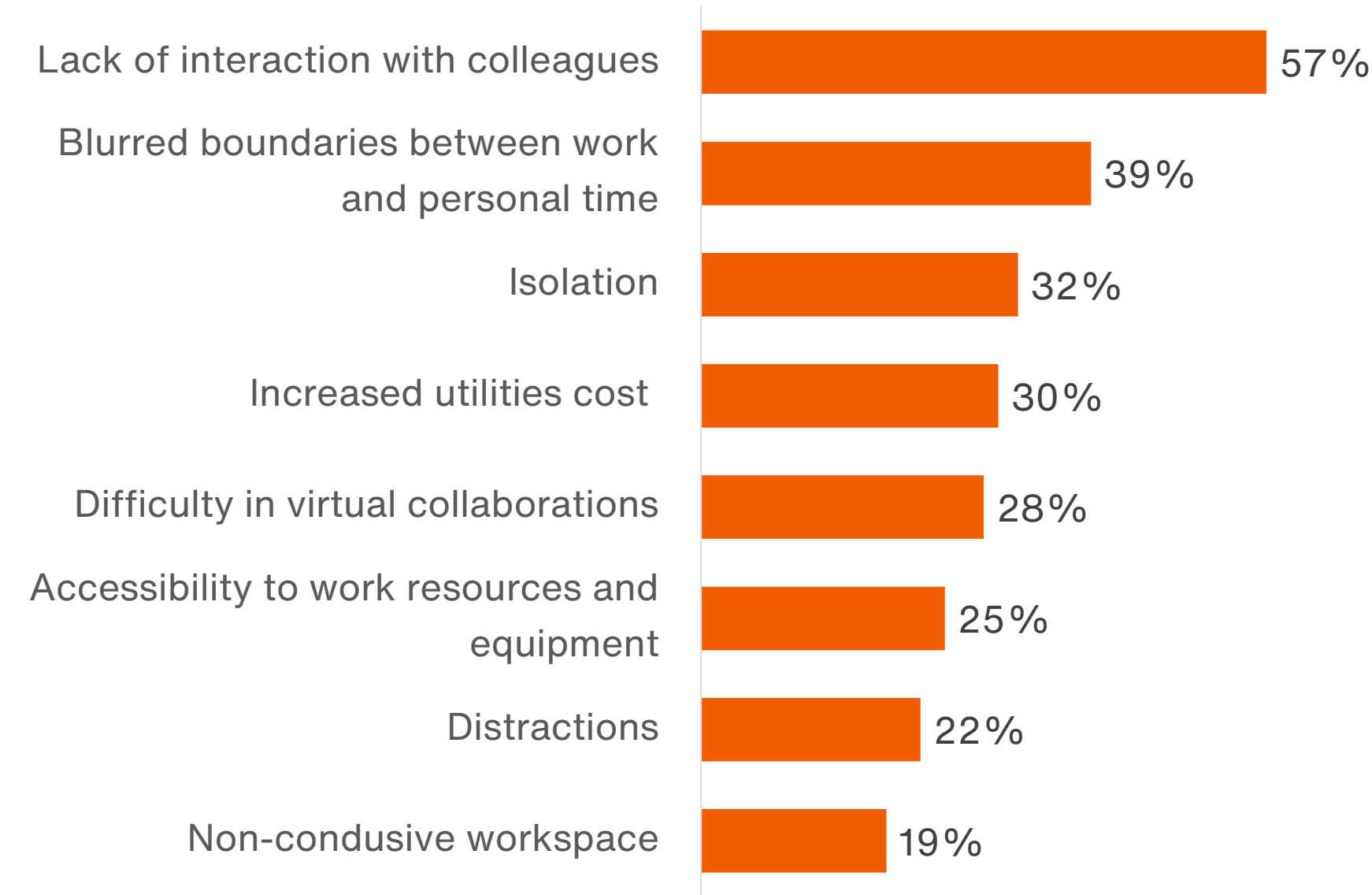
Reasons employees prefer flexible working arrangement

- 80% More efficient use of time
- 77% Improved work-life balance
- 76% More flexibility on time and work location
- 68% Cost saving (i.e. commuting, parking, attire)
- 49% Higher productivity
- 44% Less burnout or fatigue at work
- 41% More family time
- 41% Fewer distractions

Both employers and employees recognize that flexible working arrangements enhance work-life balance and provide greater flexibility in terms of time and work location. Furthermore, employees acknowledge the financial benefits associated with flexible work arrangements by reducing expenses related to commuting, parking, professional attire, and meals.

72% of employees currently working entirely in-office have indicated preference to move to hybrid working arrangement

Challenges on Hybrid and/or Remote Work Arrangement faced by Employees



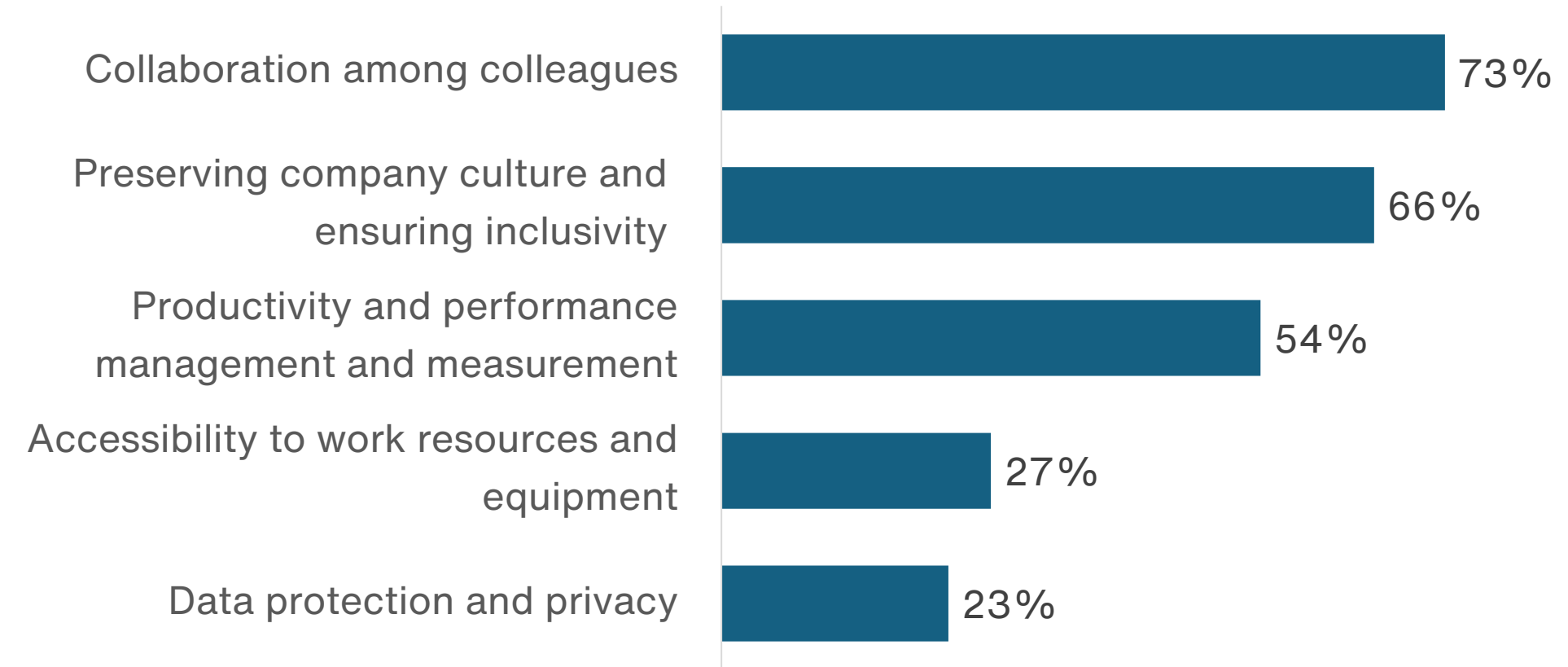
Lack of interaction with colleagues is a predominant challenge across all generations. Employees also tend to face blurred boundaries between work and personal time such as difficulty in disconnecting from work responsibilities which may lead to increased stress and potential burnout.



Although lack of interaction with colleagues is a predominant challenge across all generations, Millennials and Gen X tend to face this issue more acutely than Gen Z.

Gen Z tends to experience isolation more than Millennials and Gen X.

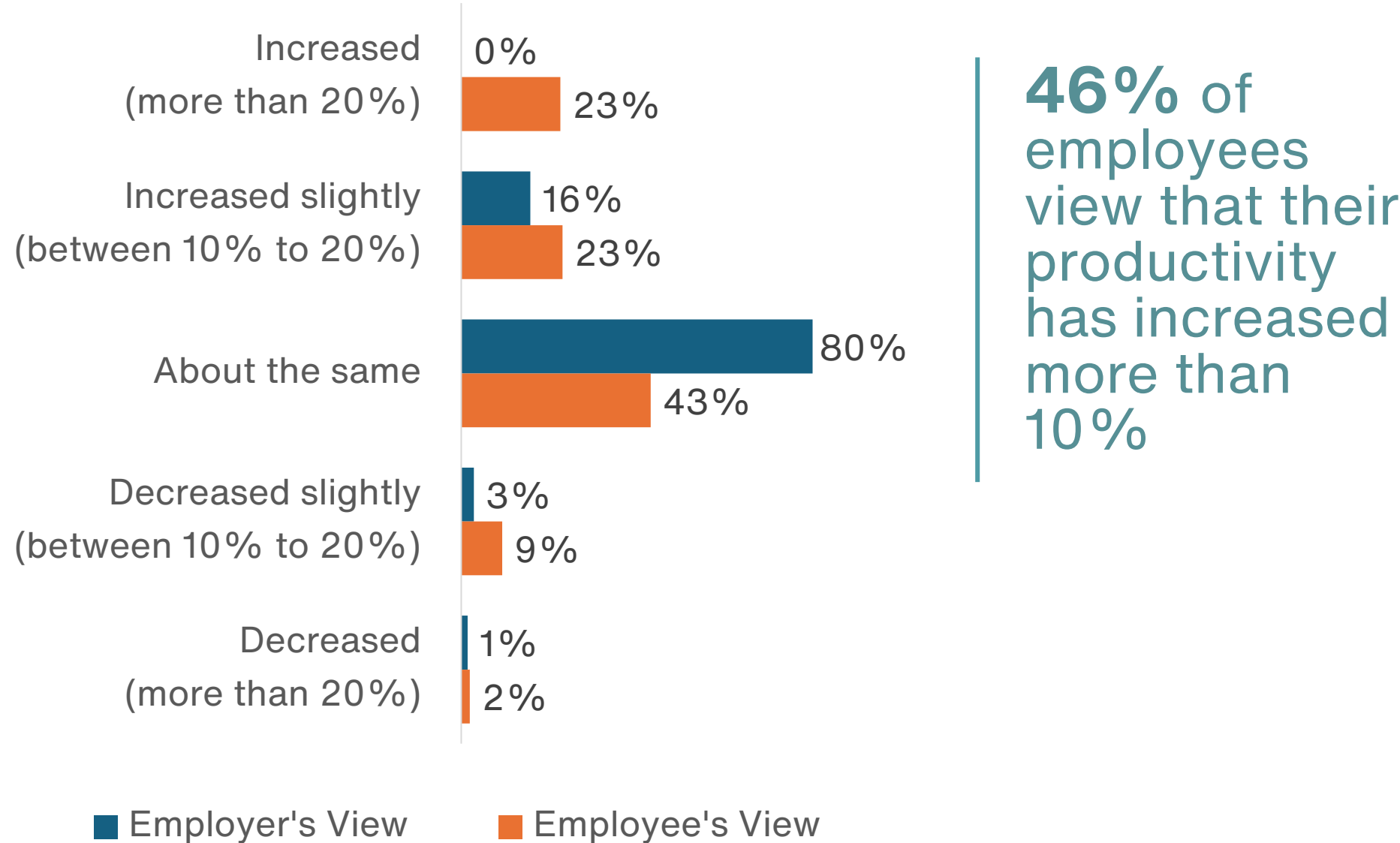
Challenges on Hybrid and/or Remote Work Arrangement faced by Employers



Collaboration among colleagues is a major challenge for employers, reflecting employees' sentiments. Its absence can hinder organizational success by reducing productivity, causing inefficiencies, and leading to communication breakdowns. It hinders innovation and lowers employee morale, making it difficult to maintain company culture and ensure inclusivity.

We note that accessibility to work resources and equipment was a major challenge for both employers and employees in the past. However, it is no longer the case, this is largely attributable to technological advancements, the widespread adoption of digitalization, including robust security measures to safeguard sensitive data, and the evolving work practices instigated by the pandemic. These developments have cultivated a more flexible and efficient work environment, effectively eliminating barriers to productivity.

Majority of employers view that the productivity levels of employees working in hybrid or fully remote arrangements remain consistent with traditional setups. In contrast, employees perceive an increase in their productivity under flexible work conditions.



Overall, while flexible working arrangements can enhance productivity for many, they require careful implementation and management to address potential downsides and ensure that all employees remain engaged and effective.



Appendix: List of Employer Perception Survey Participants

List of Employer Perception Survey Participants (1/2)

2X MARKETING SDN BHD
ACTIVPAYROLL MALAYSIA SDN BHD
ADVANCED ENERGY
AEMULUS CORPORATION SDN BHD
AFFIN BANK BERHAD
AIA BHD.
AMPHENOL TCS MALAYSIA SDN BHD
ARVATO SYSTEMS MALAYSIA SDN BHD
ASSOCIATION OF INTERNATIONAL CERTIFIED PROFESSIONAL ACCOUNTANTS
ATHERACORE SDN BHD
AVERY DENNISON
AVERY MALAYSIA SDN BHD
B. BRAUN MEDICAL INDUSTRIES
BANK RAKYAT
BAXTER INTERNATIONAL
BOSTON SCIENTIFIC MEDICAL DEVICES (MALAYSIA) SDN. BHD.
BRITISH AMERICAN TOBACCO (MALAYSIA) BHD
BUMI ARMADA BERHAD
BURSA MALAYSIA BERHAD
CANON PRODUCTION PRINTING SINGAPORE PTE LTD
CENERGI SEA BERHAD
CHIN HIN GROUP BERHAD
CHUBB MALAYSIA
CIMB BANK BERHAD
COCA-COLA BOTTLERS/ REFRESHMENT MALAYSIA
COHERENT MALAYSIA SDN BHD
COMMERZ GLOBAL SERVICES SOLUTIONS
CONTINENTAL AUTOMOTIVE COMPONENTS MALAYSIA SDN BHD
CONVEX MALAYSIA SDN BHD
DANISCO MALAYSIA SDN BHD (IFF)
DENVER EURO ENTERPRISE SDN BHD
DIGITAL NASIONAL BERHAD
DORSETT GRAND SUBANG
DYSON MANUFACTURING SDN BHD

ECOCERES RENEWABLE FUELS SDN BHD
EDRA POWER HOLDINGS
ELECTROLUX HOME APPLIANCES SDN BHD
EMERSON CORPORATION (TEST & MEASUREMENT GROUP- NI)
ENOVIX MALAYSIA SDN BHD
FLEX
FLEXI ACOUSTICS SDN BHD
FLEXI VERSA GROUP SDN BHD
GE AEROSPACE
GENTARI SDN. BHD.
GENTING MALAYSIA BERHAD
GLOBALFOUNDRIES MALAYSIA SDN. BHD.
GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD
HANWHA Q CELLS MALAYSIA SDN BHD
HAP SENG MANAGEMENT SERVICES SDN BHD
HARTALEGA NGC SDN BHD
HEWLETT PACKARD ENTERPRISE MALAYSIA
HP INC
IHH HEALTHCARE MALAYSIA
INFINEON TECHNOLOGIES
INFINEON TECHNOLOGIES (KULIM) SDN BHD
INSCALE ASIA SDN BHD
ISF SDN BHD
ISKANDAR INVESTMENT BERHAD
JTI TRADING SDN BHD
KEYSIGHT TECHNOLOGIES MALAYSIA SDN BHD.
KNAUF SDN. BHD.
KOBELCO PRECISION TECHNOLOGY SDN BHD
KONICA MINOLTA BUSINESS SOLUTIONS (M) SDN. BHD.
LAM RESEARCH INTERNATIONAL SDN. BHD.
LBS BINA HOLDINGS SDN BHD
LEMBAGA TABUNG ANGKATAN TENTERA
LUMILEDS MALAYSIA SDN. BHD.
MAESTRO SWISS INDUSTRIES SDN. BHD.

List of Employer Perception Survey Participants (2/2)

MAH SING GROUP BERHAD	SILCOTECH INSDUSTRY SDN BHD
MANULI RYCO HYDRAULICS SDN BHD	SONEPAR SOUTH EAST ASIA
MATTEL MALAYSIA SDN BHD	SONY (MALAYSIA) SDN BHD
MEDLOG MALAYSIA SDN BHD	SOUTHERN STEEL BERHAD
MICRON MEMORY MALAYSIA SDN BHD	STANDARD CHARTERED GLOBAL BUSINESS SERVICES
MONASH UNIVERSITY MALAYSIA	STELLANTIS SDN BHD
MOTOROLA SOLUTIONS MALAYSIA SDN. BHD	SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD
MRANTI CORPORATION SDN BHD	SWAP ASIA
NAMICOH SURIA SDN BHD	SYARIKAT AIR TERENGGANU SDN BHD
NOVARTIS CORPORATION (MALAYSIA) SDN BHD	TAN CHONG GROUP
O3 CORPORATE SERVICES	TELEFLEX MEDICAL SDN BHD
OSRAM OPTO SEMICONDUCTORS (MALAYSIA) SDN BHD	TF-AMD MICROELECTRONICS (PENANG) SDN BHD
PAYMENTS NETWORK MALAYSIA SDN BHD	THE LARYNGEAL MASK COMPANY (M) SDN BHD
PERMODALAN NASIONAL BERHAD	UCT (ULTRA CLEAN TECHNOLOGY)
PETRONAS	UEM GROUP BERHAD
PFIZER (M) SDN BHD	UEM SUNRISE BERHAD
PLENITUDE MANAGEMENT SERVICES SDN BHD	UNITED OVERSEAS BANK (MALAYSIA) BHD
PLUS MALAYSIA BERHAD	VALLEN SINGAPORE PTE LTD
PRICEWATERHOUSECOOPERS SERVICES DELIVERY CENTRE (MALAYSIA) SDN BHD.	VENTURE ELECTRONICS SERVICES SDN BHD
PROPERTYGURU INTERNATIONAL (MALAYSIA) SDN BHD	VENTURETECH SDN. BHD.
QES (ASIA-PACIFIC) SDN BHD	VITROX TECHNOLOGIES SDN BHD
QES MECHATRONIC SDN BHD	WATSON'S PERSONAL CARE STORES SDN BHD
QUORUM SOFTWARE	WESTERN DIGITAL (MALAYSIA) SDN. BHD.
RANHILL MANAGEMENT SERVICES SDN. BHD.	WINCHESTER INTERCONNECT (M) SDN BHD
RANHILL SABAH ENERGY I SDN BHD	WING TAI MALAYSIA PROPERTY MANAGEMENT SDN BHD
RED HAT MALAYSIA SDN. BHD	YEO HIAP SENG (MALAYSIA) SDN BHD
RPD MFG CONNECTIVITY SDN BHD	YTL CEMENT SHARED SERVICES SDN BHD
SABAH ENERGY CORPORATION SDN BHD	ZURICH INSURANCE MALAYSIA
SAM ENGINEERING & EQUIPMENT (M) BHD	
SAMTEC ASIA PACIFIC (M) SDN BHD- JOHOR	
SANDISK MALAYSIA	
SEAGATE	
SEEK ASIA	
SGS (MALAYSIA) SDN BHD	

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