



Appraisal Trends Report 2025 | Malaysia



About the foundit Appraisal Trends Report

The foundit Appraisal Trend Report draws insights from a comprehensive nationwide survey conducted by foundit, capturing responses from 195 employees across diverse industries, functions, and experience levels. This representative dataset forms the basis for analyzing appraisal patterns during 2024–25.

The report offers a detailed view of salary hikes segmented by sector and role. It also delves into key aspects such as performance evaluations, promotions, job satisfaction, and fairness in the review process.

Additionally, it highlights employee perceptions around whether their expectations were met, how effective the appraisal process was, and what improvements are desired. Backed by robust data, the report presents a holistic, ground-level understanding of appraisal trends across India.

Key Highlights

Majority Received Appraisals, but Satisfaction Remains Low

The annual appraisal cycle for 2024–2025 saw 54% of professionals receiving a salary hike, while 46% did not see any increment at all. However, the satisfaction gap is striking 70% of respondents felt their hike was lower than expected, with only 23% saying it met expectations and a mere 7% reporting it was higher than anticipated. Even in industries where increments were granted, such as Oil & Gas (where 22% received hikes above 20%) and Production/Manufacturing (where increments were spread more evenly), employee sentiment suggests that the quantum of increases did not align with perceived contributions or market benchmarks. This disconnect between financial rewards and expectations risks eroding trust in the appraisal process.

Promotions Scarce, Signalling Career Stagnation

Career progression opportunities appear limited, with just 28% of respondents receiving a promotion this year. The majority 72% remained in the same roles without advancement. Some functions faced even sharper stagnation, such as Sales & BD (75% with no promotion) and HR & Admin (70% without promotion). Even in areas like Engineering & Production and IT, where promotions were relatively more frequent, 30 -41% of professionals saw no upward movement. This cautious approach to promotions may be a result of cost-control strategies or restructuring priorities, but if sustained, it risks demotivating top performers who value recognition, responsibility, and growth alongside pay.

Employee Retention at Critical Risk

Perhaps the most urgent finding is the overwhelming intent to leave—98% of respondents are considering a job switch. This sentiment is not confined to those with modest hikes; even some employees receiving substantial increments of over 20% indicated plans to explore other opportunities. For instance, in Marketing & Communications, 25% received top-tier hikes, yet 58% still did not receive any increment, fuelling dissatisfaction. The data suggests that salary hikes alone are no longer enough to secure loyalty. Factors such as limited promotions, unmet expectations, lack of flexibility, and organisational culture are increasingly decisive in retention, and without addressing them, employers face a heightened risk of attrition in the year ahead.

54%

**Respondents got
an appraisal in FY24-25, according
to the foundit survey**

The annual appraisal cycle for the financial year 2024–2025 has concluded, and this year's evaluation process reflects a mixed outcome, with 54% of respondents receiving an appraisal and 46% not.

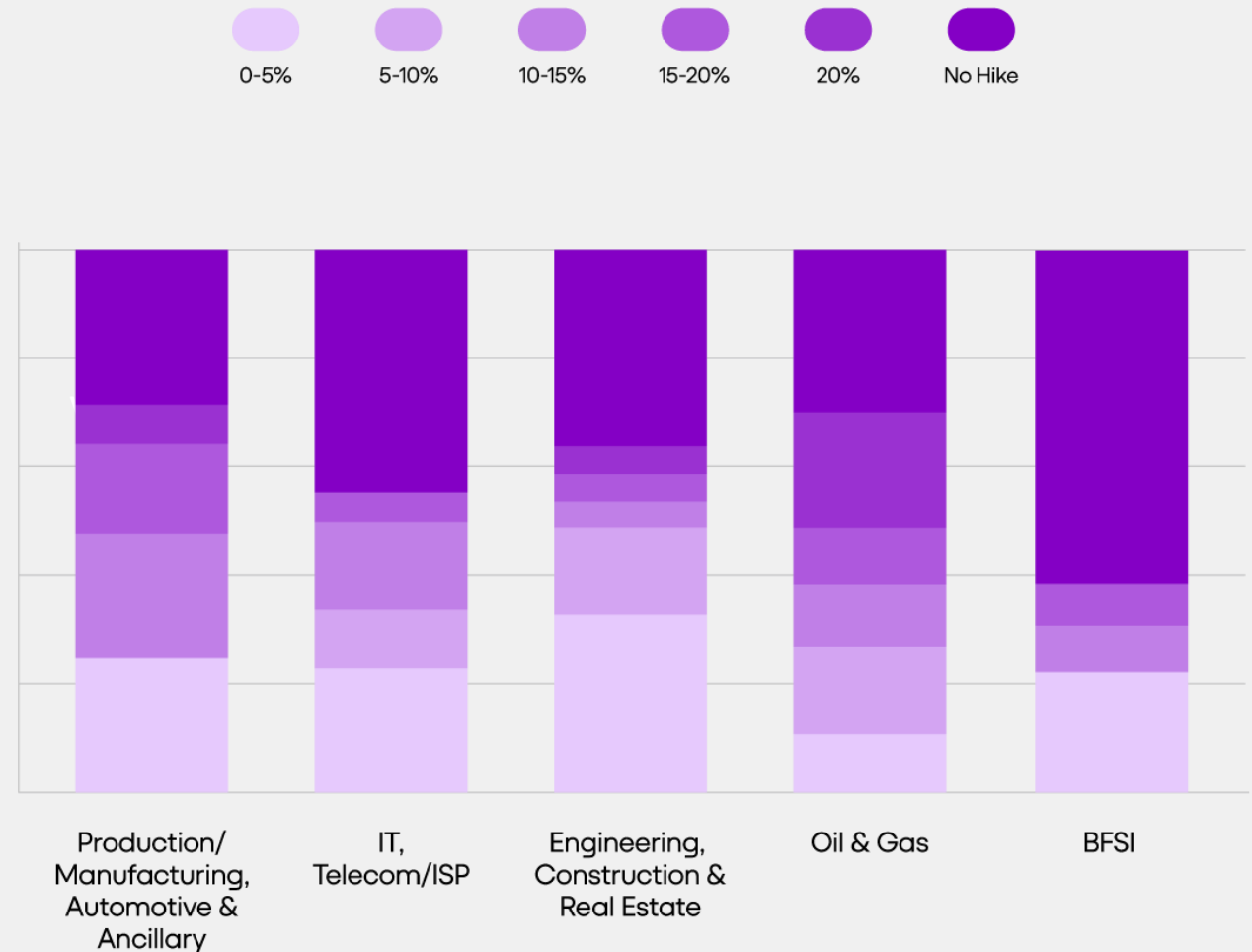
Industry

Function

Promotion

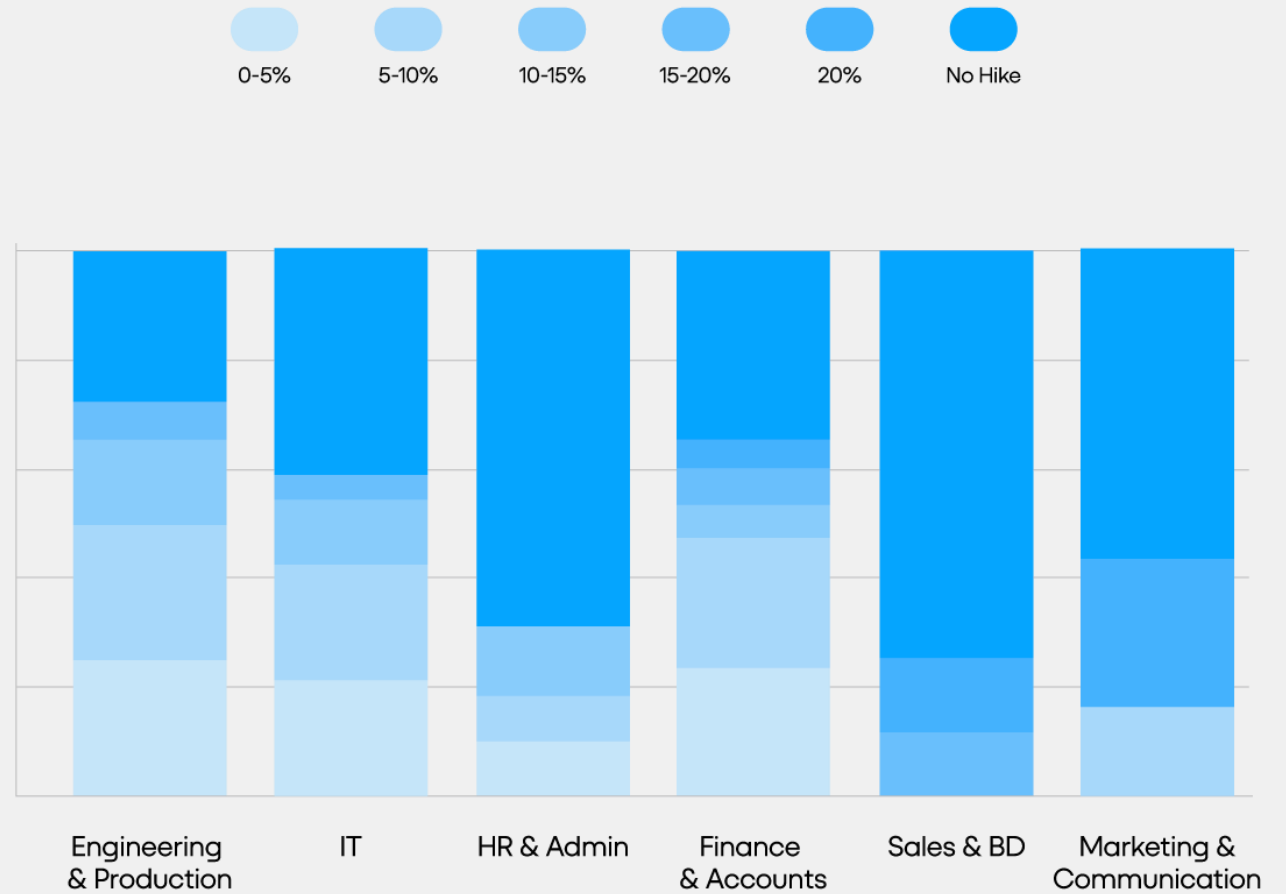
Appraisal by Industry

- BFSI and IT & Telecom have the highest share of employees without hikes, at 62% and 48% respectively, highlighting restrained appraisal activity in these sectors.
- Oil & Gas shows strong reward trends, with 22% of employees receiving hikes above 20%, far outpacing other industries in top-tier increments.
- Engineering, Construction & Real Estate and Production/Manufacturing lean toward modest increments, with a large share in the 0–5% range but still maintaining some distribution across higher brackets.
- Overall, the appraisal landscape shows a polarized pattern. Certain sectors like Oil & Gas are rewarding generously, while others, particularly BFSI and IT & Telecom, are experiencing significant stagnation.

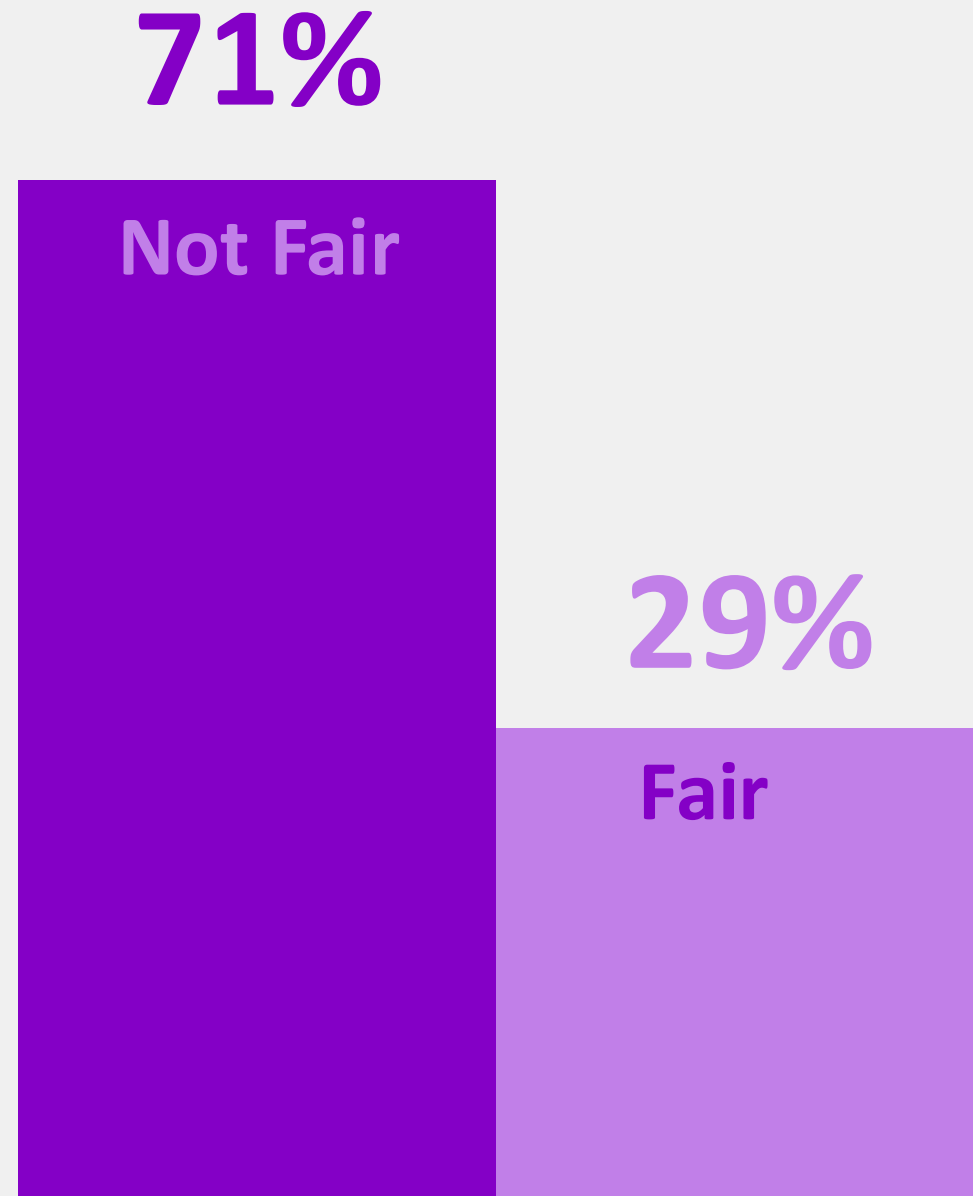


Appraisal by Function

- HR & Admin, and Sales & BD show the highest proportions of employees without hikes, at 70% and 75% respectively, suggesting limited appraisal activity in these functions.
- Finance & Accounts stood out for its Marketing & Communications stands out for high increments, with 25% of employees receiving hikes above 20%, the largest among all roles.
- Engineering & Production and IT roles have a relatively even distribution of increments across ranges, though around 30–41% in each reported no hike, indicating mixed outcomes.
- Finance & Accounts leans toward smaller hikes, with nearly half of employees receiving 0–10% increments, though 35% still reported no appraisal.

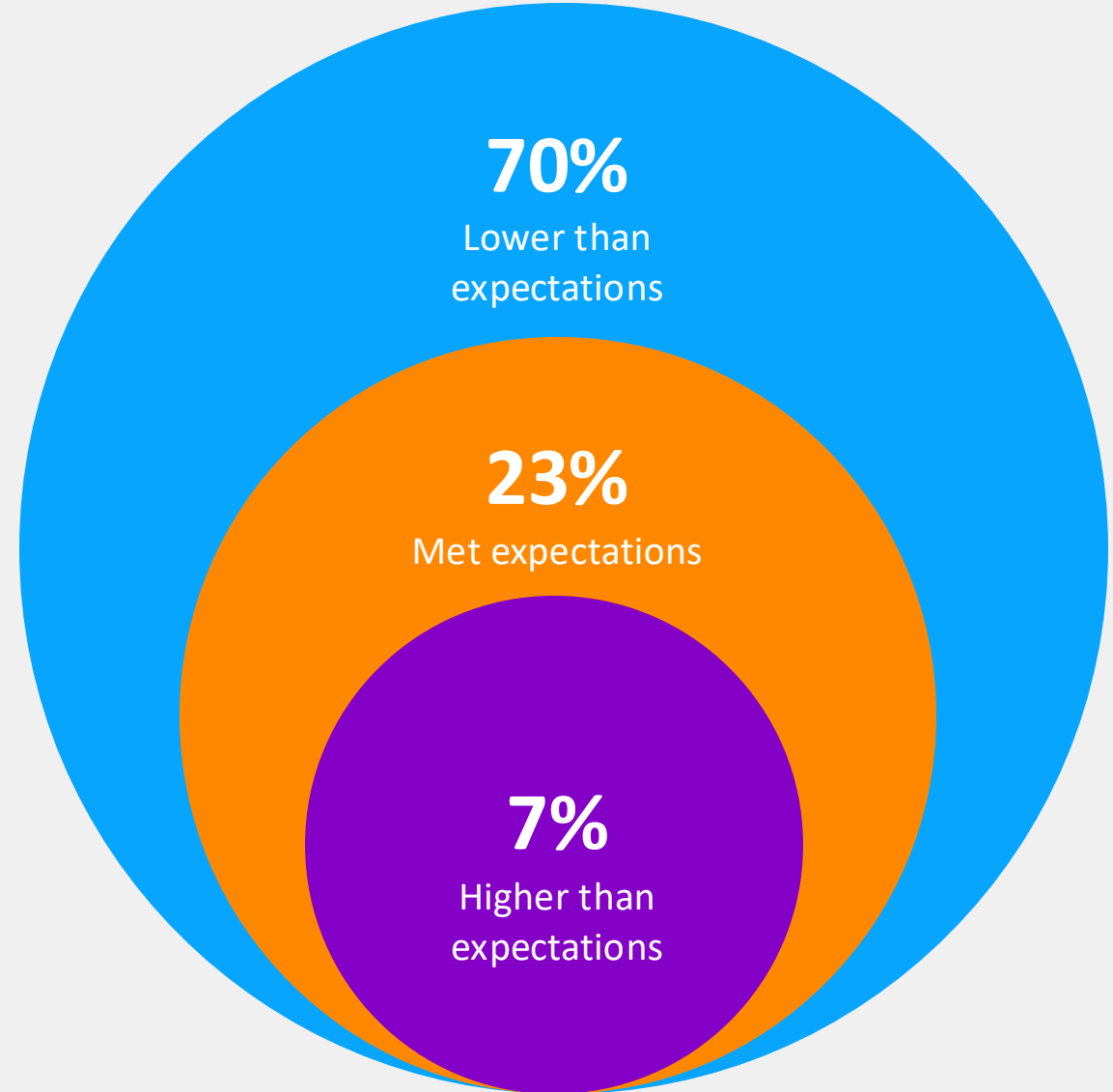


Fairness of Appraisal Based on Performance



Hike Expectations

- A significant majority, 70%, felt their hike was lower than expected, signalling widespread dissatisfaction with the appraisal process. A large share of these employees eventually leave, looking for better salary and benefits, stronger career growth opportunities, a healthier work culture and greater flexibility to support work-life balance.
- Only 7% of respondents received a hike higher than expected, reflecting limited instances of exceptional rewards.
- 23% said their hike met expectations, indicating that for nearly a quarter of employees, the outcomes aligned with what they had anticipated.
- Overall, sentiment remains skewed toward disappointment, with positive or satisfactory outcomes reported by just 30% of respondents.

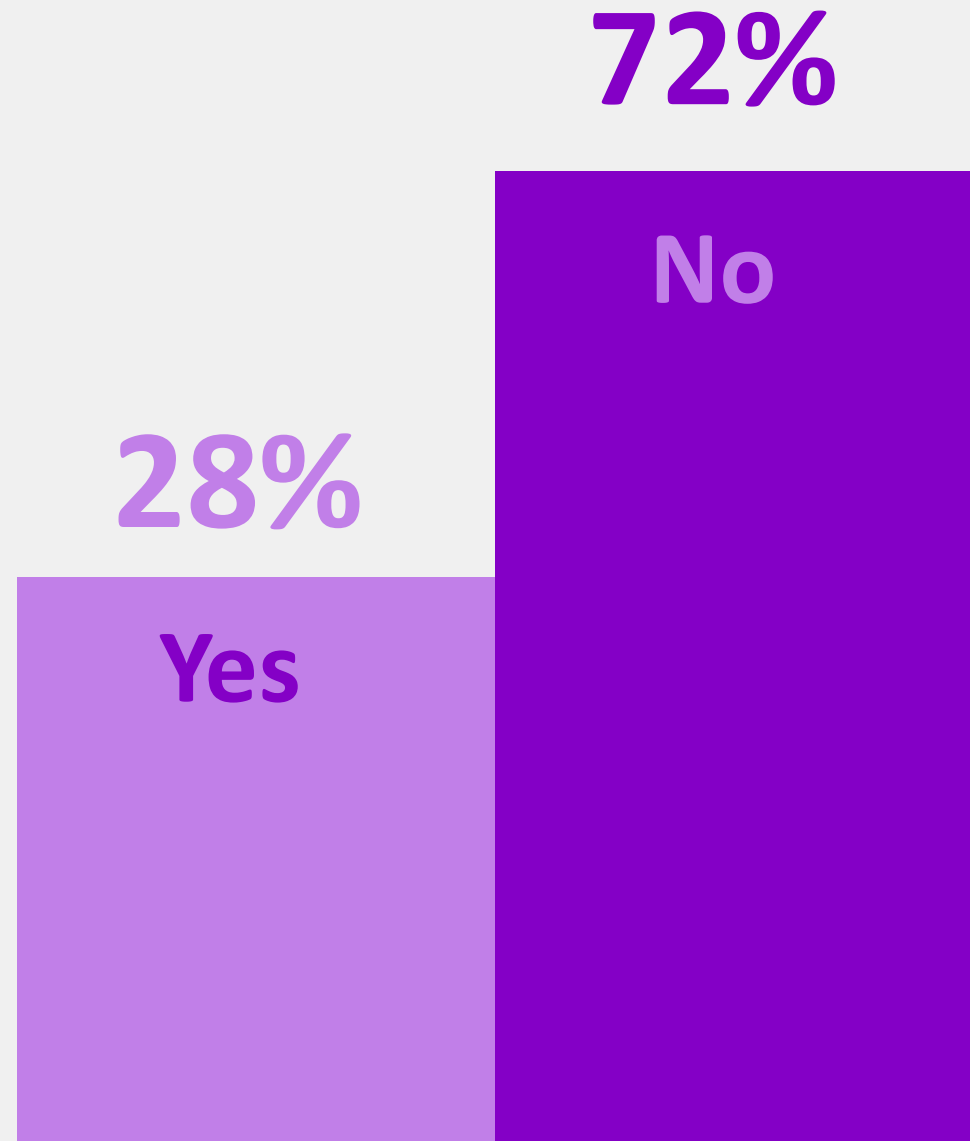


Annual Promotion

15%

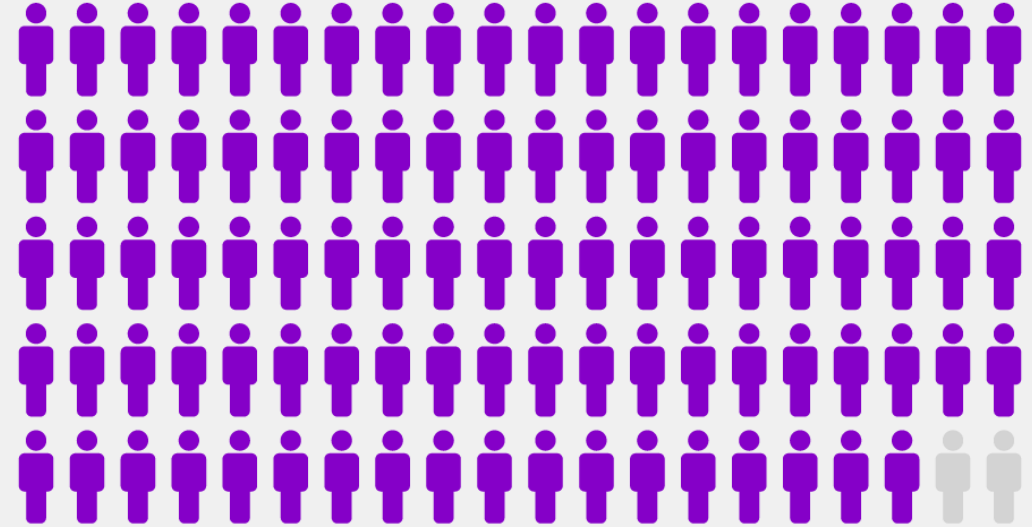
Respondents got a promotion but no hike

Only 28% of the workforce experienced career progression through promotions this year, while a significant 72% remained in the same roles without advancement. This limited movement highlights a cautious approach to role elevation, which, if persistent, could affect morale especially among high performers seeking both recognition and growth opportunities.



98%

Employees Considering a Job Switch



An overwhelming 98% of respondents are considering a job switch, signaling exceptionally high workforce dissatisfaction or a strong desire for better opportunities. With only 2% indicating they plan to stay, this trend points to potential retention challenges for employers, especially if factors like limited promotions, below-expectation hikes, and lack of career growth persist.

Factors to Continue in Current Job

- More transparency in how hikes/promotions are decided
- Clearer performance metrics/goal
- More frequent feedback
- Managers trained to give constructive feedback
- Better link between appraisal outcomes and rewards

44%

35%

24%

23%

5%



For additional information or custom
insights, please write to ***pr@foundit.ai***

Annexure:

Industry	0-5%	5-10%	10-15%	15-20%	20% +	No hike
Production/Manufacturing, Automotive and Ancillary	23%	23%	16%	0%	6%	32%
IT, Telecom/ISP	22%	11%	15%	4%	0%	48%
Engineering, Construction and Real Estate	32%	16%	5%	5%	5%	37%
Oil and Gas	11%	17%	11%	6%	22%	33%
BFSI	23%	0%	8%	8%	0%	62%

Roles	0-5%	5-10%	10-15%	15-20%	20% +	No hike
Engineering & Production	27%	23%	13%	0%	7%	30%
IT	21%	21%	14%	3%	0%	41%
HR & Admin	9%	9%	13%	0%	0%	70%
Finance & Accounts	24%	24%	6%	6%	6%	35%
Sales & BD	0%	0%	0%	8%	17%	75%
Marketing & Communications	0%	17%	0%	0%	25%	58%