

‘Forget politics, what is the job worth?’

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Embarking on the very delicate task of reviewing ministerial salaries, one of the most politically controversial issues of the last 17 years, Mr Gerard Ee (picture) is determined to put aside all political lenses.

Let’s view each ministerial job squarely for what it is — that is the approach that the chairman of the new salary review committee wants to take.

“We will start with a proper process. Forget the political part of the job, we will be redefining its worth by looking at everything else from the job scope to the hours put in,” said Mr Ee. This task will “not be insurmountable” as it is what human resource practitioners do all the time.

The main challenge would be the next step: Applying a “significant discount” to comparable salaries in the private sector, that would signify the value and ethos of public service. This means “you can expect that, in all probability it will be a cut,” said Mr Ee.

But, he asked: “How much should the discount be, and how do we come up with a figure that still ensures we have an honest and competent government? What will be fair to people?” These are questions that will always be debated as everyone will have a different view, he acknowledged.

At the end of the day, what matters is whether the committee’s recommendations can be robustly defended, when people question if the job is really worth that much, said Mr Ee.

Yesterday, the eight-member panel that will review the salaries of the President, Prime Minister and political appointees was unveiled. The Government will base its new salaries — which will take effect from May 21, when the new Cabinet was sworn in — on the recommendations of these individuals from the private sector, social sector and labour movement.

Other points of reference it will take into account include general wage levels here. In other words, when the economy goes up or down, ministerial salaries should have a mechanism to reflect this.

Currently, the salaries are benchmarked to two-thirds of the median income of the top eight earners from six private-sector professions. The new model is very different altogether, Mr Ee noted: “You say ‘for this work, for this skill, for this knowledge in the private sector, how much will you have to pay to have someone perform such work?’”

But some Members of Parliament who cut their teeth in the private sector think it would be tough to determine how much a minister should be paid based on his ministry’s importance to the country or the size of his portfolio. Mr Zaqy Mohamad asked: “How do you decide which ministries are important or not? People will disagree.”

MPs feel, however, that there are other pointers to take away from the corporate world — such as the practice of tagging pay and bonuses to the company’s performance.

Mr Zaqy and Mr Inderjit Singh felt each minister's pay should be linked to the performance of their respective ministries, rather than merely to economic growth.

Said Mr Zaqy: "Of course, the salaries of overall ministers like the Prime Minister, and certain ministries like the Ministry of Trade and Industry, can be linked to GDP growth and other factors. But overall, link salaries to the ministry's performance. In the private sector, there is a strong link between salary benchmark, job scope and key performance indicators."

Headhunters note that in the private sector, top CEOs' salaries are wholly dependent on the company's performance. Mr Tim Hird, managing director of Robert Half, said: "Those further down the chain are paid according to a mix of individual and company performances. But the CEOs are there to increase the profitability of the business, and so they are rewarded according to how the company performs."

Determining how or whether such principles will apply to ministerial salaries is the job of the review committee, and looking at its members, Dr Gillian Koh of the Institute of Policy Studies said most would be "familiar with how the establishment functions". "Others, such as Mr George Quek (founder of BreadTalk) and Mr Wong Ngit Liong (Venture Corporation CEO) have an entrepreneurial background, and will know how the private sector functions."

Even so, Dr Koh added, this committee will "no doubt have to consult widely and include professionals that the ministerial salaries were previously benchmarked to".

Mr Ee said the committee would need to collect a lot of data and that it would not rush matters. Several times, he emphasised the principle of objectivity – be it in how he will go about the task or how he hopes the public would view the process.

In particular, he urged the public not to let emotional or personal associations get in the way when judging the results of the salary review. "I hope that the public don't associate any person with the job. If some dislike the minister, they may think he is overpaid but we should be reasonable. The system should be such that it reflects the value of the job."