

New pay scheme to stop brain drain

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KUALA LUMPUR: The new remuneration system for the civil service is devised in a bid to stop high-calibre employees from leaving for the private sector, Datuk Seri Dr Mahathir Mohamad said yesterday.

The Prime Minister said that although the Government could not match the private sector in terms of salaries and other benefits, it was, nevertheless, adopting some of the measures taken by the private sector to motivate employees.

"We want our employees to buck up and perform well — that's why we are introducing merit payment. We no longer want civil servants who come to work and mark time," he said.

He said the new remuneration system would not emphasise an employee's paper qualifications but rather his talents and capabilities.

Dr Mahathir was speaking at a press conference after briefing officials from Cuepacs and the five National Joint Councils on the pay increases, the new remuneration system and the restructuring of the civil service at his office here.

The Prime Minister said the new remuneration system and restructuring were based on recommendations made by the Cabinet Committee on Salaries.

Dr Mahathir said the payout to be made under the salary review was the biggest so far.

The payment of arrears will cost the Government \$1.8 billion while it will have to fork out an additional \$1.1 billion to foot next year's bill for wages.

He said the arrears would be paid out in stages from June next year as the Government did not want to inject too much money into the market at one go.

"But those earning less than

\$1,000 might get their arrears in one lump sum as they won't be getting much," he said.

He said the employees in the higher income groups might have some of their arrears channelled into their EPF savings.

Dr Mahathir hoped that traders would not increase the prices of their goods in anticipation of the pay rise. "The economy will suffer if the inflation rate goes up," he said.

Finance Minister Datuk Seri Anwar Ibrahim said his ministry was preparing the details on the payment of arrears.

Cuepacs secretary-general A.H. Ponniah told reporters that public sector unions had accepted in prin-

ciple the salary increases, the new remuneration system and the restructuring of the service schemes.

"But there are a lot of things to be worked out," he said.

"We appreciate the massive exercise and understand the complexities involved."

He said Cuepacs and the five NJCs would begin a series of meetings with the Public Services Department starting next week to discuss the details.

He said he expected problems in certain areas of implementation but added that these could be worked out.

Mr Ponniah described the eight to 10 per cent wage increase as a "good deal."