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NEW SALARY SYSTEM TO PREPARE CIVIL SERVICE FOR VISION 2020  
Salaries (News analysis)

KUALA LUMPUR, Oct 13 (Bernama) -- In what was described by Cuepacs as an +extraordinary move+, the Government yesterday took a major step towards realising its 2020 vision by introducing a flexible salary system for the public service.

Modelled from the private sector wage system, the new remuneration system or Sistem Saraan Baru (SSB), which links salary increases with workers' performance and the government's financial standing, looks set to motivate civil servants to produce their full potential.

+We do not want any more of those civil servants who marked time,+ Datuk Seri Dr Mahathir Mohamad said at the press conference yesterday to disclose details of the SSB and the new civil service structure, which would take effect on Jan 1, next year.

These people, the Prime Minister said, just clocked in for work, complete their daily routine and did not care what happened outside. But, the SSB would help discard that negative attitude.

Under the new system, all government employees would need to relate their contribution towards the country's overall economic growth which would decide whether or not they stand to receive their bonus. -- more

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Salaries 2 Kuala Lumpur

Datuk Seri Dr Mahathir said civil servants would now need to have keen interest in the achievement of the private sector because if the sector failed and the government's revenue were to decline, no bonus could be given out to the 880,000 government employees.

Describing the system as part of the Malaysia Incorporated concept, he said: +The success of the private sector will be the success of the government sector.+

In short, Datuk Seri Dr Mahathir, who is chairman of the Special Cabinet Committee on the Public Sector Salaries 1991, said the government was injecting some sense of private sector commitment in the public sector.

He stressed that to achieve the 2020 target, the country needed to maintain a steady growth rate of seven per cent for the next 30 years. It needed strong commitment from both the private and public sectors to accomplish the mission, he added.

The Prime Minister also said that the current salary system and schemes of services, based on the Cabinet Committee Report 1976, were not suitable for Malaysia, which was growing to be an industrialised nation.

Topping the flexible wage system would be the reward system under the new 19 classification of services from the current 574 schemes. Each classification would be provided its own Matrix Salary Schedule where workers stood to gain multiple annual increments, and better promotion based on their individual performance. -- more

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Salaries 3 Kuala Lumpur

Although the final details have yet to be released by the Public Services Department (PSD), the Prime Minister said: +The workers can gain verticle and horizontal promotion.

+Those who are efficient and with wide experience will be rewarded. The more you work, the more you get, the more successful you are, the more you get,+ he explained.

Most important, the new service structure, which would provide an immediate salary increase of between eight to 10 per cent to all government employees, would also not place emphasis on paper qualification, and instead give recognition on talent, calibre, experience and skills.

It would also provide temporary incentives to certain services regarded as critical services like doctors and nurses to stop the braindrain to the private sector.

Despite being more commercially-aimed, the new salary system did not discard the features for a caring society by providing various social incentives like extending medical facilities to workers' parents.

What is obvious is that the new SSB and civil service structure was mooted by the government on their own, or more specific the special cabinet committee, which included Deputy Prime Minister Encik Ghafar Baba, Finance Minister Datuk Seri Anwar Ibrahim, Human Resources Minister Datuk Lim Ah Lek and Minister in the Prime Minister's Department Datuk Abang Abu Bakar Mustapha. -- more

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All union leaders attending the meeting with Datuk Seri Dr Mahathir were surprise with the government's decision. Cuepacs President Mohamad Abas was even prompted to describe the offer as +extraordinary.+

+It was a daring effort by the government. But, it was most welcomed,+ Encik Mohamad said when asked to comment on the matter.

The Malaysian Employers Federation (MEF), who has been campaigning for a flexi-wage system for the entire private sector but faces objection from the Malaysian Trades Union Congress (MTUC), congratulated the government for initiating the flexi-wage system in the public service.

Describing the move as timely, MEF Executive Director Zain Majid said: +I'm happy that the government is pioneering the system in public service and I hope the MTUC will open its eyes.

+I hope they (MTUC) will see the day and realise that a salary system should always take into account efficiency, company's ability to pay and profitability,+ he added.

The flexible system definitely motivates higher productivity, he added.  
-- Bernama

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