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Cut unreasonably high pay: Dr M

UNREASONABLY high salaries paid by the private sector, especially to top and middle-rung executives, should be trimmed down to commensurate with the companies' profits and production costs, Prime Minister Datuk Seri Dr Mahathir Mohamad said yesterday.

He said private sector companies should also not accommodate demands by officers or executives like engineers for salaries twice or triple the normal rate.

In the light of the prevailing currency and stock market setbacks, the Prime Minister said he would like to see that the corporate sector officers are no longer paid exorbitant salaries as they were during the times of the buoyant economy.

"One reason for a company's high operating costs is excessive salaries for top and middle-rung staff like engineers fresh from the universities," he was quoted as saying by Bernama at the Sultan Abdul Aziz Shah International Airport upon returning from the summit meeting of heads of government of the Organisation of Islamic Conference in Teheran.

He was commenting on whether the Government would compel the private sector to also freeze salary increments for their staff like that imposed on Groups A and B civil service officers as an additional austerity measure during the current economic turbulence.

Deputy Prime Minister Datuk Seri Anwar Ibrahim announced in Parliament last Monday a freeze on salary increments for government officials in the top management group and categories A and B until full recovery from the current downturn.

Anwar, who is also Finance Minister, also announced 10 per cent pay-cuts for Cabinet members and deputy ministers while Members of Parliament would have their allowances cut by three per cent.

In making the announcement Anwar also urged the private sector to adopt similar measures with their staff.

Dr Mahathir chided professionals who are fresh graduates for fixing their "worth" well in advance before accepting private sector job offers. "They determine what should be paid to them," he said.

He said they could afford to do so because the country is short of skilled manpower and that the Government has insisted that companies put locals first over for eigners when offering employment.

This situation prompted fresh graduates to demand unreasonably exorbitant salaries, he said.

"We are the ones who made the country prosperous, not them," he said, describing such graduates as mere opportunists.

Dr Mahathir said high salary offers from the private sector has discouraged them from serving with the Government which could not match the private sector pay.

WENDY LIM reports: Deputy Prime Minister and Finance Minister Datuk Seri Anwar Ibrahim has called for a review of salaries in the private sector due to the wide gap between the pay of the executives and non-executives.

Speaking at the opening the new MTUC headquarters in Petaling Jaya yesterday, he said wages in recent years have increased tremendously compared with productivity. "There have been complaints from large organisations that salaries of their workers have increased significantly.

"However, the workers' unions have revealed that salaries and perks of executives and those in the higher management level have spiralled upwards

compared to the general workers in some sectors," Anwar said.

The private sector, he said, should follow the example set by the Government in reducing its expenditure when it is expecting lower profits.

"Profits of companies may be affected and this will reduce the Government's income. Therefore, we are making the necessary adjustments in anticipation of slower growth next year," he said.

He said the Cabinet also agreed that any salary revision should not jeopardise the interest of the lower income group.

Meanwhile, Malaysian Trade Union Congress president Zainal Rampak said chief executives, managing directors and general managers of large organisations should emulate the Government in trimming salaries and fringe benefits.

"The money from the fringe benefits such as family vacation, entertainment allowances and company's cars can be used for other productive activities such as training of workers," he said, adding that salaries should commensurate with the present living cost.

Besides providing job security, Zainal said, employers should also have a moral responsibility to their workers to ensure that they get a comfortable living.

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