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Kumpulan Guthrie workers to take a pay cut

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KUMPULAN Guthrie Bhd, in a move to cut cost, will ask its employees to take a pay cut, with group chief executive Datuk Abdul Khalid Ibrahim leading the way with a 10 per cent salary reduction.

"Starting from next year, I have agreed for a pay cut of 10 per cent," Khalid told Kumpulan Guthrie's employees and other guests at the presentation of the "Outstanding Leadership Award" ceremony yesterday.

For employees earning more than RM3,000, a pay cut of 5 per cent of the salary will be implemented, but this, said Khalid, will be done on a voluntary basis.

Employees earning less than RM3,000 will not be affected, said Khalid, adding that the company thinks that the consumption of those in this category should be commensurate with their earnings, therefore the exemption from the pay cut is justified.

Speaking to reporters after the ceremony, Khalid said it is estimated that the company will save at least RM500,000 per year from the salary reduction.

"This can be used for the group's working capital to increase productivity, for example, to purchase new machineries," Khalid said.

The Prime Minister Datuk Seri Dr Mahathir Mohamad recently urged the private sector to reduce unreasonable salaries paid to top and middle-rung executives, as part of its contribution to the country's austerity drive.

Deputy Prime Minister and Finance Minister Datuk Seri Anwar Ibrahim also announced a 10 per cent pay cut for Cabinet Ministers and their deputies, which was then followed by the Menteri Besars and Chief Ministers as well as top civil servants.

Meanwhile, on the company's yearly bonus, Khalid said Guthrie employees will now receive staggered payment of their bonus, instead of lump sum payment as done previously.

"The bonus will be paid every three months now. The money for the unpaid bonus will then be placed in fixed deposit. There are a lot of banks now offering high interest rate of about 11 per cent per year even for a one-month deposit. The interest gained will then be paid back to employees as their bonus," Khalid said.

Meanwhile, Kumpulan Guthrie presented the Outstanding Leadership Award and scholarships to its staff's children in a ceremony yesterday.

The Outstanding Leadership Award was won by Fimaris Mohamad Ariff from School of Science Library, Institute Teknologi Mara, Shah Alam.

Khalid said despite the cost cutting measures, the company would not reduce the allocation for its scholarships, adding, that it may instead be increased.

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