Starting pay up by 10% for honours grads in civil service

Competition for fresh grads more intense now: Minister Teo
New pay from June

BY PEN SHING HUEI

A FRESH graduate with a good honours degree can look forward to a starting monthly salary of more than $2,600 in the civil service. This is about 10 per cent higher than the present pay, said Mr Teo Chee Hean, Minister-in-charge of the civil service, yesterday.

The new salary applies to those in the Management Executive Scheme, which includes officers who help with policy development and implementation.

The reason for the hike, said Mr Teo, who is also the Defence Minister, is that the competition for fresh university graduates is getting more intense.

While the average salary offer for a Singapore Management University graduate is about $2,800, he revealed: “One graduate reportedly received a $12,000 salary offer!”

The new salary will kick in from June.

The starting salaries of other graduate schemes will also be adjusted according to their market benchmarks.

Recently appointed graduates will not be left out, as their salaries will also be raised. The increase in starting pay is just one of many wage revisions in the civil service, said Mr Teo, as he identified three principles guiding the changes.

First, pay increases in the civil service will not be uniform and across-the-board. Instead, it will vary from as high as 33 per cent to as low as 3 per cent.

Those in schemes which lag behind the market rates by a lot, such as the Home Affairs uniformed services, will get a bigger pay jump.

The uniformed officers, which include the police, prisons, civil defence and narcotics services, are below their benchmarks by up to 26 per cent in certain grades.

Similarly, the diplomats in the Foreign Service, which Mr Teo described as a “small but critical group”, are lagging behind the market substantially and will receive on average an 8 per cent salary increase.

Conversely, those in schemes where the lag is smaller will see a smaller jump.

These include the likes of those in the education service, which had just completed its review last year.

But Mr Teo acknowledged that there were still issues to be addressed in the education service. The Ministry of Education will be adjusting starting salaries and identifying and rewarding high-calibre teachers.

Second, the increases will be very much linked to performance.

Instead of increasing monthly salary, most of the adjustments will be made in a performance-related bonus.

Good performers in the education service, for example, will get a 0.5 month performance bonus, while the better performers will receive up to 0.75 month.

That is why not all civil servants will enjoy the pay hike. An estimated 5 per cent will not be eligible due to poor performances.

Third, salaries alone would not be enough to solve the problem of recruiting and retaining talent, said Mr Teo.

That is why the Government is also looking at the job scope, career prospects and exciting assignments for the civil servants. The changes are necessary because of a tightening labour market, he said.

The service’s overall resignation rate has gone up from 4.8 per cent in 2005 to 5.7 per cent last year.

“At some of our entry grades, the situation is quite serious, with resignation rates as high as 25 per cent,” he said.

“We need to act before the situation becomes more serious. The Government, as an employer, has to respond quickly and decisively to stay competitive and close the wage gap. Otherwise, we will deplete the service of the able people we need, and the service level to the public will be affected.”

shphe@sph.com.sg