

Govt drive key to pushing wages up

WHEN Mr Robert Chua started working as a full-time security guard in 2003, his pay was \$1,500. Now, nine years later, he earns \$2,150 each month as a security supervisor.

The 66-year-old is one of those who have gained from the comprehensive review which the Government embarked on after the terrorist attacks of Sept 11, 2001 in the US.

The purpose was to ensure that security firms met minimum standards so that they could help the police keep Singapore safe from terrorist threats. In 2004, the police set up a dedicated department to regulate the sector.

A year later, a minimum skills standard was set for security guards under the National Skills Recognition system.

In 2007, Parliament passed a new law – the Private Security Industry Act – that required all security companies and guards to be licensed.

The labour movement was roped in to boost the productivity of security guards through job redesign. A system to audit and grade security firms was also introduced.

The number of security guards has soared from 18,000 in 2005 to

more than 40,000 now. All new entrants also have to attend 40 hours of compulsory training.

The median gross wage of a full-time security guard last year was \$1,550, according to the Ministry of Manpower's annual wage report, up from \$1,379 in 2008.

Security firms interviewed said the government drive to set minimum standards was a key factor in pushing wages up.

Another factor is the limit placed on the hiring of foreign security guards.

Security firm Pedro's operations director Govin Manu says: "We have to pay local workers more and do more to raise productivity because we cannot hire foreigners except Malaysians."

Today, only Singaporeans, permanent residents and Malaysians are permitted to work as licensed security guards. Four in five guards are Singaporeans.

Without a ready pool of cheap foreign labour to draw on, security companies have turned to technology to raise productivity.

For example, with the help of cameras and centralised operations rooms to monitor facilities around the clock, fewer guards are needed and they can draw higher pay.

Having a tight but well-regulated industry also ensures that new entrants do not lower standards, and are given a fair chance to thrive.

For example, within two years of entering the sector, Mr Chua's employer Soverus attained the highest A grade, which places it as among the top fifth of security firms, an achievement its chief executive Paul Lim is proud of.

For Mr Lim, it is inevitable that higher pay and better staff move in tandem: "I took huge losses in the first two years because I paid high wages. But with better workers, I won higher value-add contracts and, in turn, I could afford to pay the guards more."

Still, the security sector is not immune to the problem of cheap bidding.

Pedro's Mr Govin Manu says that in the last year alone, two clients the company lost to a lower bidder came back: "The clients found that they couldn't perform. Either they did not have the manpower, or their guards did not follow instructions."

Another problem is overtime. While the monthly pay cheque of guards has grown, the basic pay still hovers around \$800.

The Government is now study-



Mr Robert Chua, a senior security supervisor at Lakeshore condominium, has benefited from a government effort to ensure that security companies meet minimum standards. PHOTO: DESMOND LUI FOR THE STRAITS TIMES

DEFINING FAIRNESS

"Cleaners in Singapore are not given a fair wage... We are not paying them enough for them to maintain a reasonable standard of living above mere subsistence level. But in defining fairness, we should also look at issues such as how the profit of a company is shared, and how it is in other countries."

– Labour economist Hui Weng Tat, associate professor at the Lee Kuan Yew School of Public Policy

NO ESCAPING THE ISSUE

"Ultimately, the economic burden will fall back on the Government if we have a sizeable portion of our population that isn't able to accumulate sufficient savings to see them through their retirement years."

– Singapore Management University economist Davin Chor

THE WAY TO GO

"I took huge losses in the first two years because I paid high wages. But with better workers, I won higher value-add contracts and, in turn, I could afford to pay the guards more."

– Mr Paul Lim, chief executive of security firm Soverus

ing how to cut down overtime for guards without reducing their pay.

As someone who takes pride in his work as a securi-

ty supervisor, Mr Chua hopes the quality and commitment of guards can also be improved.

"Because of the compulsory training, the quality of guards im-

proved for about 50 per cent of the force. But the other 50 per cent come in because they can't find any other job."

TOH YONG CHUAN AND MATTHIAS CHEW

