

RECOMMENDATIONS OF THE TRIPARTITE CLUSTER FOR CLEANERS ON PROGRESSIVE WAGES

Objective

1. This report sets out the recommendations of the Tripartite Cluster for Cleaners (TCC) on progressive wages. The members of the TCC are listed in Annex A.

Introduction

2. Over the years, companies across different industries have granted wage increases to their workers, factoring in industry and company performance, guidelines of the National Wage Council (NWC) and labour market conditions. These efforts are important and continue to be necessary across all industries, including the Cleaning Industry.

Progressive Wage

3. For workers in the Cleaning industry, wage increase over the years has been slow and wage levels remained low despite skills training and various efforts at improving productivity. More needs to be done to help them in a systemic and sustainable way. In June 2012, the National Trades Union Congress (NTUC) introduced its progressive wages approach to help low-wage workers in different sectors achieve sustainable real wage increases which correspond to their skills and productivity levels. Progressive wages encompass specific wage ladders tailored for each job sector. Each wage ladder comprises a series of wage points, and is intended to enable workers at all levels of the ladder to upgrade and progress to their next respective wage points.
4. These wage points are determined by the unions and industry bodies in consultation with relevant government agencies and stakeholders such as service buyers and providers. Factors taken into consideration include skills requirements, work quality and standards, sector productivity, general employment and wage conditions.
5. Progressive wages are achieved through various strategies and programmes implemented by the tripartite partners. They include the Inclusive Growth Programme (IGP), which is administered by the NTUC with Government funding support. IGP enables productivity improvement by funding job and process re-design. In return for IGP funding, employers are required to share the productivity gains with their workers through higher wages. The Best Sourcing Initiative, which is similarly administered by the NTUC with Government funding support, complements the IGP by supporting buyers in adopting best sourcing practices. This is important because when buyers move away from cheap sourcing, there is

more room for low-wage workers who provide outsourced services to enjoy progressive wages. Other efforts to promote best sourcing include the Best Sourcing Pledge administered by the Singapore National Employers Federation (SNEF) and its seminars and industry group meetings for employers, the efforts by SNEF and NTUC to develop resources to build up service buyers' capabilities to implement best sourcing, as well as the Tripartite Advisory on Best Sourcing Practices that was updated in January 2012.

Progressive Wages for Cleaning Sector

6. As the champion agency for the cleaning sector, the National Environment Agency (NEA) has been driving productivity efforts in order to achieve a higher standard of public health and hygiene, in collaboration with NTUC's IGP. In addition, NEA introduced the Clean Mark Accreditation Scheme in 2010 to professionalise the cleaning sector. NEA will be tightening the accreditation criteria to further raise standards in the sector, and is also considering a Bill to license cleaning companies in order to set the minimum standards for the sector.
7. Benefits: As the cleaning sector is predominantly outsourced and affected by cheap-sourcing, market forces alone have not been sufficient to ensure that improvements in standards and productivity translate into commensurate wage increases for cleaners. Having a progressive wage structure for the cleaning sector benefits not only the cleaners but also their employers and service buyers. Cleaning companies can benefit from a more motivated and competent cleaning workforce and will be able to draw in more locals with the better wages and working conditions. In turn, service buyers stand to benefit from more professional and reliable cleaning services. The general public can also enjoy higher standards of cleaning services.

Recommendations of the Tripartite Cluster for Cleaners

8. The TCC was set up to recommend a progressive wage structure for the cleaning sector. In its deliberations on the progressive wage scales, the TCC considered factors such as i) what cleaners' wages could have been if their wages had kept pace with productivity growth, ii) the nature and working conditions of the various cleaning job, iii) wages of occupations with workers of similar educational profile as cleaners, iv) wages of cleaners working for responsible buyers who best source, v) information and inputs from the cleaning industry.
9. The TCC has also taken into account the National Wages Council (NWC)'s 2012/2013 guidelines in its recommendation. The TCC notes that NWC guidelines are formulated at the national level for all industries, including the Cleaning Industry. The TCC therefore calls upon the cleaning companies and service buyers to work out ways to effectively apply future NWC guidelines relevant to the industry, especially where it pertains to low wage workers.

10. The progressive wage structure comprises three wage ladders for three broad categories of cleaning jobs. These three categories account for the most common types of cleaning jobs, and are based on NEA's classification of cleaning sub-sectors under the Clean Mark Accreditation Scheme.
 - I. Group 1: Office and commercial buildings
 - II. Group 2: Food and beverage (F&B) establishments
 - III. Group 3: Conservancy sector
11. The progressive wage structure is depicted in Diagram 1. The TCC recommends a starting basic wage level of at least \$1,000 for cleaning jobs such as in offices and F&B establishments. Conservancy cleaning involves tougher physical working conditions such as working outdoors and can be more strenuous (e.g. disposal of bulky waste). The TCC therefore recommends a starting wage of at least \$1,200.
12. In addition to a starting wage level, each ladder comprises further wage points to provide a pathway for cleaners to progress to higher wages as they become better skilled, more productive or take on higher responsibilities. In deriving the wage ladders, the TCC had considered the relative values of the cleaning jobs within and across the groups, apart from the other factors mentioned in para 7 above. For instance, the TCC recommends that multi-skilled cleaners/ machine operators in all three groups be paid at least \$1,400. Similarly, TCC recommends that supervisors in all three groups be paid at least \$1,600. This is because at the higher levels, cleaners can be expected to handle work of similar complexity and responsibilities regardless of the cleaning sub-sector they are in. Furthermore, as drivers of disposal trucks in the conservancy sector require a specific skill (i.e. class 4/5 driving license), the TCC recommends that they be paid more as compared to the cleaners from within and across the other groups.
13. The wage ladders provide cleaners with clarity on how they can achieve wage progression, thereby helping to motivate them. The TCC encourages cleaners to upgrade their skills through training, so that they can progress to higher value-added jobs, work more effectively and earn more.
14. At the same time, employers (i.e. service providers) should actively encourage training, improve their processes and operations planning, consider more efficient manpower deployment methods and invest in technology, in order to increase productivity, meet higher cleaning standards and help their cleaners move up the wage ladder. Employers can apply for funding under the Workfare Training Support scheme¹ to offset a significant portion of training costs for locals. Employers may also apply for funding through the IGP and the

¹ Information on the Workfare Training Support scheme can be found at www.workfare.sg

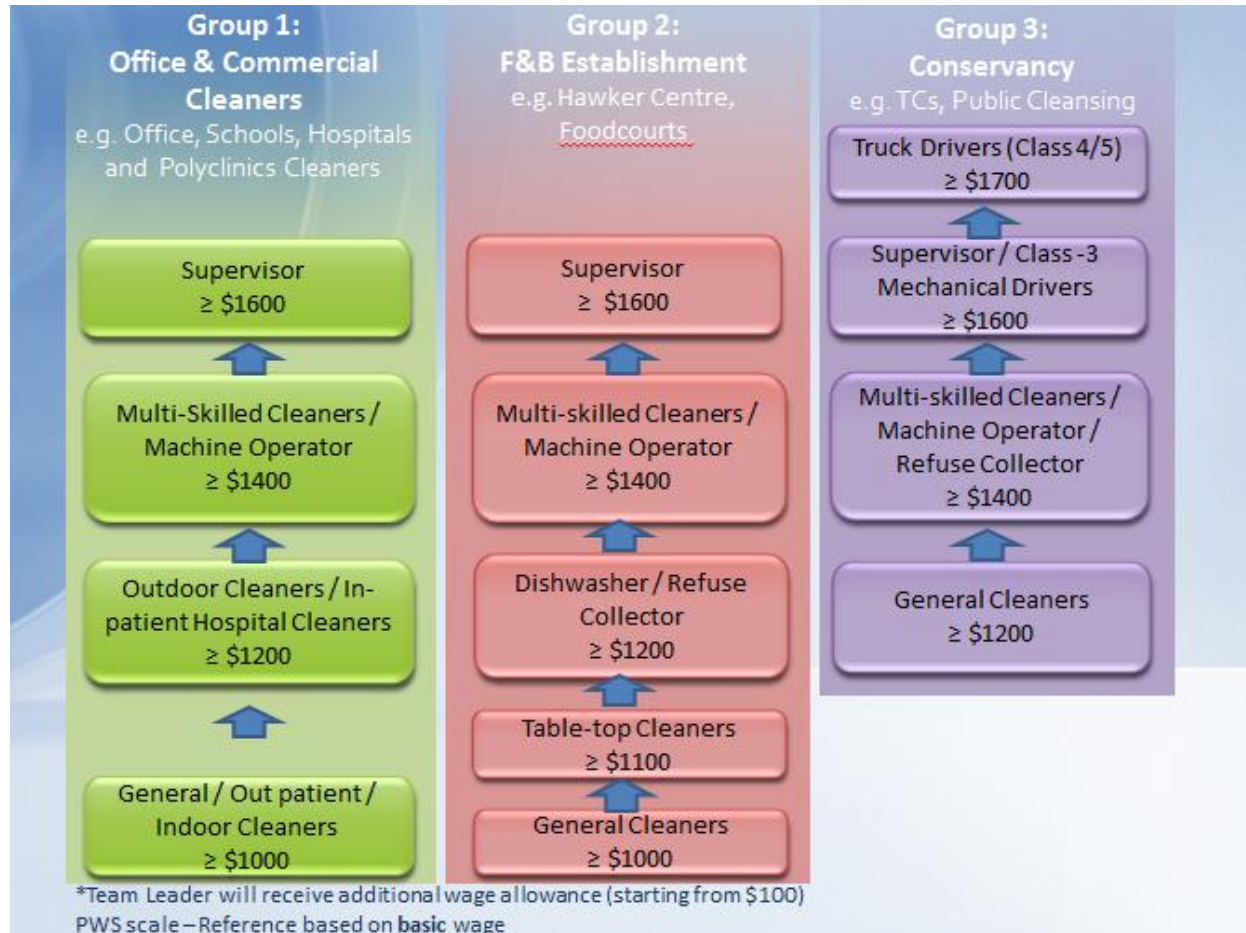
Productivity and Innovation Credit². In appraising cleaners for progression up the wage ladders, employers can consider if the cleaners have met the suggested training requirements in Annex B. Other key considerations include changes in job scope/ nature and responsibilities, and the work efficiency and effectiveness of the cleaners, including their ability to take on tasks requiring multiple skills.

15. The TCC's recommended progressive wage scales are meant for full-time³ resident cleaners i.e. Singaporeans and Singapore permanent residents. Employers should endeavor to incorporate the key principles of progressive wages (as described in paragraph 2) in the wage structure of their foreign cleaners.
16. For part-time cleaners, the TCC suggests that employers pro-rate their wages based on the number of hours that the part-timer is required to work, as compared to the typical contractual hours worked by a full-timer in the same job.

² Information on the PIC scheme can be found at www.iras.gov.sg/irashome/PIcredit.aspx.

³ A full-time employee, as defined under the Employment (Part-Time Employees) Regulations, is one who is required to work for 35 hours or more a week. Conversely, a part-time employee is one who is required to work for less than 35 hours a week.

Diagram 1: Progressive Wage Structure for Cleaners



Note: A description of the different types of cleaning jobs is in Annex C.

Advisory on Allowances and Reimbursements

Allowances

- In the cleaning sector, some employers include allowances and/or reimbursements, such as for laundry and meals, in the salary package to their employees. The TCC recognises that allowances may be used by employers to motivate employees to achieve the desired work performance (e.g. for attendance or punctuality) or compensate for less desirable working conditions (e.g. for shift work).
- The TCC advises employers to structure the salary package such that employees can enjoy a predictable and fair basic pay. This is because under the Employment Act, the basic rate of pay (which excludes allowances) is used to compute the salary payment for overtime work, and work on rest days and public

holidays. Hence, when the basic pay is low, the overall take-home pay (which includes payment for overtime etc) will be correspondingly lower. The TCC calls upon employers to consider building recurrent allowances into the basic pay, especially those that are not given only upon performance or meant to compensate for less desirable working conditions (e.g. for transport, laundry and hand phone).

Reimbursements

19. The TCC also urges employers to categorise payments to employees as reimbursements only if the expenses are actually incurred by the employee. To avoid disputes, employers should retain documentary proof such as receipts when making reimbursements.
20. For example, it is incorrect for an employer to classify a payment (computed based on laundromat fees) as a reimbursement for laundry, if the employer does not take steps to ensure that the employee washes his uniforms at the laundromats. This omission by the employer suggests that the employee does not necessarily need to incur such expenses for laundry and hence, the payment should be classified as “wages” instead.
21. Under the CPF Act, while reimbursements do not attract CPF contributions, salary components such as the basic wage, overtime pay and allowances do. Payments that are incorrectly categorised as reimbursements will be treated as wages and the CPF Board will recover from the employer both the employer and employee portions of CPF contributions. Employer should note that the non-payment of CPF contributions on wages is an offence under the CPF Act.
22. Ensuring that local cleaners receive the CPF contributions that are due to them is important as it enables the cleaners to meet their retirement, healthcare and housing needs through the CPF system and also allows them to receive the correct amount of Workfare Income Supplement as computed based on their CPF contributions.

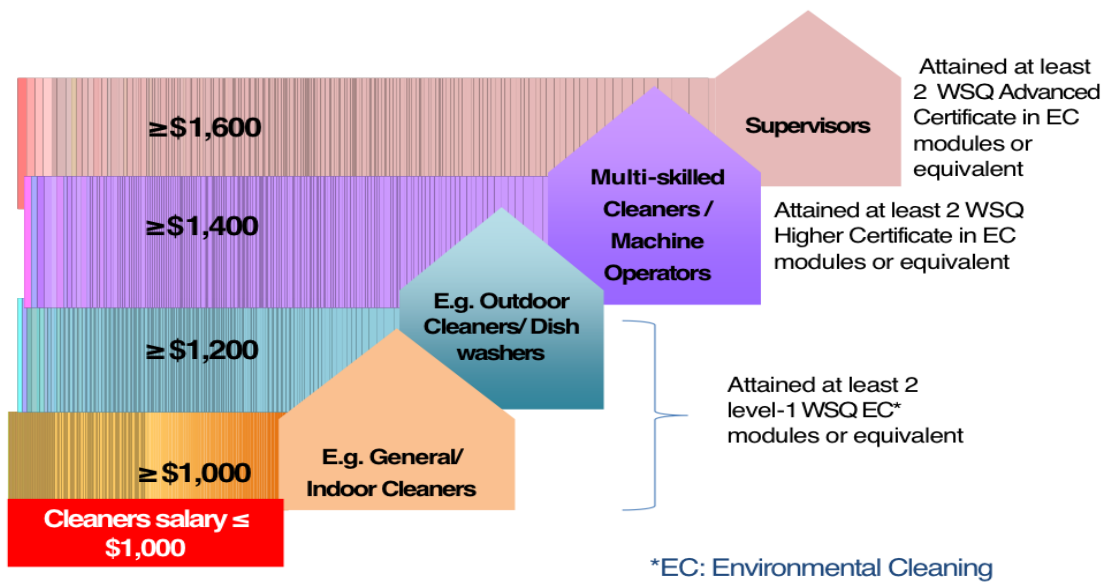
Conclusion

23. Progressive wages will help cleaners earn higher wages commensurate with improved training, higher standards and productivity. Cleaners will be more motivated to upgrade their skills, perform better and seek progression in their jobs. Service providers can improve their cleaning processes and operations planning to raise productivity. Buyers should review their cleaning requirements, practice best sourcing and avoid headcount-based contracts. Buyers and end users of cleaning services would then be assured of better service and quality. This will bring about a win-win-win outcome for all stakeholders.

Annex A**Members of the Tripartite Cluster for Cleaners**

	Agency	Representative
Chair	National Trades Union Congress (NTUC)	Heng Chee How, Deputy Secretary-General
Co-Chair	Singapore National Employers Federation (SNEF)	Mr Wong Lup Wai, Council Member Also Managing Director of TP Vision Singapore Pte Ltd
Union	Unit for Contract and Casual Workers (UCCW)	Mr Zainal Sapari, Director
	Employment and Employability Institute (e2i)	Mr Gilbert Tan, Acting CEO
	Building Construction and Timber Industries Employees' Union (BATU)	Mr Nasordin Mohamad, President Also Chairman, Building and Facilities Management Cluster, NTUC
Employer/ Service Providers	Environmental Management Association of Singapore (EMAS)	Mr Milton Ng, President Also Director, Ramky Cleantech Services Pte Ltd
	ISS Facility Services Private Limited	Mr Woon Chiap Chan, Country Managing Director
	Integrated Property Management Pte Ltd	Mr Ding Chek Leh, General Manager
Service Buyers	CapitaLand Commercial Limited	Mr Chong Lit Cheong, CEO
	City Developments Limited	Mr Chia Ngiang Hong, Group General Manager
	Town Councils	Mr Albert Teng, General Manager/ Secretary, Holland Bukit-Panjang Town Council
Government	MOM	Mr Chan Beng Seng, Divisional Director
	NEA	Mr Khoo Seow Poh, Deputy CEO

Suggested Training Guidelines for Cleaners



<http://www.wda.gov.sg/content/wdawebiste/L207-AboutWSQ/L301-WSQIndustryFramework-EnvironmentalCleaning.html>

Description of Cleaning Jobs

Outdoor Cleaners

A person assigned to work in unsheltered environment for more than half of their working hours. As these cleaners are required to complete cleaning jobs under the sun, they should be compensated with a higher salary as compared to cleaners working in a more comfortable environment such as the office.

Multi-skilled Cleaners

A person who is able to do multiple job tasks or deployed to multiple sites. Multi-skilled cleaners also include cleaners who are able to operate various equipment including burnisher, single-disc scrubber, walk-behind auto-scrubber, hi-pressure jet machine, carpet cleaner, back-pack vacuum, wet & dry pick-up. (Ride-on machinery comes under Machine Operators below.)

In-patient Hospital Cleaners

A person who is in charge of housekeeping duties in hospital wards. Cleaners working in the hospital wards are exposed to higher risks and should be remunerated better.

Truck Drivers

A person who possesses Class 4 or 5 driving license and is able to operate motorized vehicles for road cleansing purposes. With the skills requirement, it is fair to compensate these truck drivers with a higher basic monthly salary that is comparable to the wages of workers of similar skill sets in other industries.

Dishwashers

A person assigned to cleaning and washing of plates. As the job requirements of a dishwasher are more laborious than a general cleaner, they should receive a higher monthly basic salary.

Refuse collector

A person who is in charge of collection and disposal of refuse. The working environment for a cleaner who is required to collect refuse is comparatively tougher as they are exposed to unpleasant odours. Therefore, they should receive a higher monthly basic salary as compared to a general cleaner.

Machine-Operators

A person who operates motorised ride-on machineries designed to carry out cleaning operation. This group of workers is trained with the necessary skills to operate the machines and is more productive. Examples include ride-on sweeper, ride-on scrubber, ride-on integrated scrubber-sweeper, steam cleaner, escalator cleaner, battery-operated cart and ride-on pavement sweeper.

Supervisors

A person who oversees work execution and the performance of other workers. He/She is also in charge of the operational planning. With a wider job responsibility, the supervisors should obtain a better monthly basic salary.