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'If heads roll in the private sector, why not in government?'

By LYNN LEE

To what extent are practices in the corporate sector applicable in the public sector?

Two MPs noted yesterday that since ministers' salaries are pegged to those of the top earners in the private sector, they should also be held accountable for lapses the same way corporate leaders are.

People's Action Party MP Inderjit Singh (Ang Mo Kio GRC) and Workers' Party MP Low Thia Khiang (Hougang) both noted that in the corporate world, heads roll when something goes wrong.

"Here, we're talking about honest mistakes," sniffed Mr Low.

Both he and Mr Singh were responding to Prime Minister Lee Hsien Loong's speech on government responsibility for the Mas Selamat incident.

PM Lee said the Government took responsibility for the incident, and Deputy Prime Minister Wong Kan Seng had already spoken on behalf of the Government when he apologised for it.

The Government had given a full account of its investigation, and was also plugging gaps in the system, PM Lee added.

Dissatisfied, Mr Low said many people, including himself, could not "reconcile" the different principles the Government seemed to be adopting when it came to ministerial pay on the one hand, and the issue of accountability and responsibility on the other.

Replying, PM Lee said that while a minister was ultimately accountable for his ministry's work, it did not mean that every level in the chain of command up to him should be punished whenever a lapse occurred.

"Even in the private sector, you have to see things in perspective," he pointed out.

While some chief executive officers (CEOs) did resign when a company turned turtle, sometimes, they also stayed on to fix the problem. And companies in which the CEOs were changed frequently do not prosper, he told Mr Low.

PM Lee then asked the opposition MP if he thought Mr Wong should resign. Mr Low did not reply.

Said PM Lee: "No answer. So I think that settles the point."

Human resource consultants interviewed said that in the corporate world, the severity of the mistake will determine how a top honcho is dealt with.

For instance, senior figures at some global banks were held accountable for their role in their banks' collapse in the wake of the global sub-prime mortgage crisis, and they resigned.

Executive search firm Robert Walters' (Singapore) director, Ms Andrea Ross, said: "People tend to want someone to blame. At that level, they will be responsible for what has cost the organisation millions of dollars."

She added that sometimes, CEOs might also be made the "scapegoat" for wrongdoing in the organisation, even if they were not aware of them.

"There is a certain level of responsibility as a leader and they need to ensure an environment in which controls are in place," she said.

Mr Patrick Chan, assistant director of GSI Executive Search, noted that much depends on whether a mistake damages a company's bottom line or shareholders' interest.

Also, if he is found to have questionable ethics, by taking kickbacks for instance, he will be asked to go.

PM Lee made a similar point in his speech, saying that if a minister was found to be lacking in integrity, he "has to go, even if the actual incident is minor".

Said Mr Chan: "I don't think a CEO would be automatically asked to leave in a case where the slip-up stained the company's reputation.

"But he'd have to look into the problem and show that he can remedy the situation."