

Progressive Wage Model

The progressive wage requirement which has been included as a licensing condition for cleaning businesses is a targeted intervention to address cheap sourcing in the cleaning sector¹. Cheap-sourcing prevents the market from working well to translate training, standards and productivity into improved wages.

Licensed cleaning businesses are required to pay their resident cleaners² progressive wages, as specified by the Commissioner for Labour (COL), based on the Progressive Wage Model (PWM) recommended by the Tripartite Cluster for Cleaners (TCC). Cleaners can look forward to better wages that are commensurate with higher training, standards and productivity. It will contribute to a more motivated and competent cleaning workforce that can deliver better service and standards to buyers of cleaning services. Cleaning businesses will also be better able to attract and retain resident cleaners in the tight labour market.

Businesses seeking to be licensed are required to submit their business' progressive wage plan to demonstrate that they have in place a structure that enables their cleaners to upgrade and progress to their next respective wage levels. Businesses' wage plans should be aligned with the sections of the TCC's PWM that apply to the work done by their cleaners and reflect wages no less than what is on the TCC's PWM. Once licensed, cleaning businesses must also ensure that they pay their resident cleaners according to the submitted progressive wage plan.

Tripartite Cluster for Cleaners (TCC)

The TCC was set up to develop progressive wage scales for cleaners. It is co-chaired by the National Trades Union Congress and the Singapore National Employers Federation, and comprises tripartite representatives from the Government, the unions, employers (i.e. cleaning service providers) as well as industry stakeholders such as buyers of cleaning services.

The TCC released its PWM for cleaners on 18 October 2012 and has been periodically reviewing its recommendations. The TCC's PWM comprises three wage ladders for three broad categories of cleaning jobs which account for the most common types of cleaning jobs. They are based on the classification of cleaning sub-sectors used in NEA's accreditation scheme for cleaning businesses.

- (i) Group 1: Office and commercial buildings
- (ii) Group 2: Food and beverage (F&B) establishments
- (iii) Group 3: Conservancy sector

In addition to a starting wage level, each wage ladder comprises a series of 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. The progressive wage model is depicted in the below diagram.

¹ The cleaning sector is prone to headcount-based contracting and contracts are typically awarded based solely on price considerations. This can result in cleaning businesses compromising on wages and employment standards of cleaners in order to be price competitive.

² Singaporeans and Singapore Permanent Residents

Diagram: Progressive Wage Model Recommended by the Tripartite Cluster for Cleaners

