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Financial Targets is a Managerial Prerogative

Santhirakala a/p N Ramasamy v Ghani & Co (Industrial Court Award No 963 of 2018)

| by David Tan Seng Keat |

Last Friday (27 April 2018), the Industrial Court rejected a claim for constructive dismissal by a salaried partner against her law firm.

One of the main grounds for her claim was an increase on her monthly financial targets, imposed unilaterally by the firm, which affected an incentive payable to her. The court held that, although the incentive structure formed part of her contractual terms of employment, the firm had the right to set and to vary the monthly target as it was within its prerogative as employer. Based on the evidence before it, the court held that the increase was not unreasonable and was clearly based on the undisputed increase in the operational costs of the partner's own department.

The firm was represented by partner Dato' Thavalingam C Thavarajah of [Lee Hishammuddin Allen & Gledhill](#).

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