

Singapore Government

**PRESS RELEASE**Release No. 54/AUGUST17-0/97/08/24

97-LBH-3

**SPEECH BY MR LIM BOON HENG,  
MINISTER WITHOUT PORTFOLIO  
AND SECRETARY-GENERAL, NTUC  
AT THE DINNER AND DANCE  
ORGANISED BY THE SINGAPORE AIRLINES STAFF UNION  
AT 7.00 PM ON 24 AUGUST 1997 AT THE WESTIN HOTEL**

Singapore Airlines is a national icon. It is one Singapore company that is known the world over. It is not only the employees of Singapore Airlines who feel proud when SIA is spoken of highly, when it wins international awards - it is the whole nation that feels proud! In other words, SIA exemplifies the success of Singapore.

Indeed, SIA contributes so much to the economy that there would be an instant recession if SIA were to stop operating. The direct contribution of SIA to the gross domestic product is already enough to cause it, never mind the indirect contribution which SIA's business spins off.

Therefore the whole of Singapore has a vested interest in the continuing success of SIA. Can SIA fail? To many, this is unthinkable! Some may even think it is heresy to dare to ask that question! However, I have on a number of occasions sounded the warning to different people that being 'Number

One' is to be in the most dangerous position. No, it is not because everyone else would be seeking to topple whoever occupies the 'Number One' position, but because of the danger of complacency that sets in. If a company is successful year after year, its leaders and employees may think they are the best, and will remain the best.

But being in trouble is sometimes better. It forces everyone to re-look at themselves, to improve, to strive to improve and even be the best.

Take for example IBM. For a long time it was the undisputed leader in computers. It allowed itself to be blindsided by its own success, to the extent that it failed to recognise the potential of the personal computer (PC). So it lost out, and it has taken a Lou Gerstner to painfully turn it around. A company that boasted that it would never retrench shedded not thousands of workers, but tens of thousands of workers. Today it is once again profitable, but the experience is still short, and some may even say that the jury is still out.

Then take the example Apple Computers. It was everybody's idea of an innovative company, with the best technology in its field. It could do no wrong. But Apple was blindsided by its own sense of superiority that it failed to recognise the threat of Microsoft's strategy. Microsoft made no hardware, only software, and made billions of dollars getting everyone to use their software in PC's. In the end, Apple had to build their computers to use Microsoft software as well, until its latest capitulation - being bought up by Microsoft.

In the airline industry Pan-American, or Pan-Am, was once a world leader. I believe it was the first to circle the globe, and may even claim to be the first global airline. I am not sure what the reasons were for its demise. But Pan-Am reminds us that one can be a leading airline one day, and crash into oblivion the next.

British Airways is another example, a happier example. For years it was drowning in red ink. It could have gone the way of Pan-Am, but it did not. Because it was in trouble, it was forced to look at its operations, to trim the fat, to restructure so as to be more efficient, to overcome its higher wage costs disadvantage. BA retrenched thousands of workers. It was a painful experience, surely, for those who were told to go. Today it is one of the most profitable airlines, with a strategy for global dominance. But it doesn't think it has done enough to trim costs, and the management wanted to retrench even more workers. But the workers who had swallowed the bitter pill and tightened their belts until the airline turned to profitability could not take it any more, and went on strike.

The strike is settled, but whether BA will continue to be a true success story remains to be seen.

But let us take a look at ourselves. SIA has everything to be proud of. It is not an airline with a domestic base of hundreds of millions of people, or even tens of millions of people, but with a domestic base of just over three

million people, packed into just under 650 square kilometres of land! Yet it is an airline of world renown, a preferred airline for many travellers, and making a profit.

From nothing, we have built this airline. For the pioneering corps of people, it must have been a most exciting venture, or adventure, to scale such heights. I am sure there must have been the determined sense of purpose, the exciting thrill of the challenge, the glow of satisfaction when each milestone is reached.

In the race, SIA has caught up with the leaders, and at times it has been the pace-setter. Today, what challenges lie before SIA?

Certainly, as other airlines trim and restructure to gain cost advantage, so too must SIA. It is an exercise which does not simply involve management coming up with measures and the employees accepting them. It is an exercise which involves consultation between management and workers and their unions. It is also an exercise which involves the workers themselves coming up with ideas for cost savings. In other words, all workers in SIA from bottom up, must be thinking workers.

A week ago, in a talk to PAP activists, I gave an example of what a thinking worker is. A former colleague of mine in Neptune Orient Lines made this comparison of Hong Kong and Singapore workers. The Hong Kong worker

is 'lazy', wanting to do the least work so as to have more time for leisure. So he is always finding the fastest way of getting things done. The Singapore worker, on the other hand, is very hardworking, but he has to be told what to do, and how to do it! We want our workers to be more like the Hong Kong workers, thinking of the fastest way of getting the job done at the lowest cost.

Let us not forget that the success of SIA is due to its people, even if they are not as sharp in their ways as the Hong Kong workers. If the SIA culture allows workers to be thinking workers, can you imagine what greater heights it can scale ?

What SIA needs now is a 'strategic intent' - the vision or dream of the company which inspires employee effort. There has to be a sense of direction, a sense of discovery, and a sense of destiny. Do we have this 'strategic intent'. Yes, we do. At SIA's 50th Anniversary Dinner, Prime Minister Goh Chok Tong laid down the 'strategic intent' - that SIA should become a global company. Not just a very successful airline from a small country, but a truly global airline with its headquarters in Singapore.

The journey promises to be as thrilling and satisfying as SIA's first 50 years, if we have the determination to succeed.

And what is in store for you, the people who make SIA tick? Let us go back to the immediate past, to glimpse the future. In the three years between

1994 to 1996, workers covered by SIA Staff Union received on average annual wage increases of 9.6 per cent, well above the national average of 7.4 per cent. So long as you are thinking workers raising productivity as SIA transforms itself into a competitive global company, there is no reason why this happy state of affairs cannot continue.

I wish each and everyone a Happy 50th Anniversary!

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