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SPEECH BY AUGUSTINE H.H. TAN (陳惠興),  
POLITICAL SECRETARY, PRIME MINISTER'S OFFICE  
AND CHAIRMAN, NATIONAL PRODUCTIVITY BOARD, AT  
THE OPENING OF THE EMPLOYEE COMMUNICATIONS  
SEMINAR, ORGANIZED BY THE NATIONAL PRODUCTIVITY  
BOARD AND THE SINGAPORE INSTITUTE OF PERSONNEL  
MANAGEMENT AT THE SINGAPORE HILTON ON SATURDAY  
28TH OCTOBER 1972 AT 8.30 A.M.

In his recent address to Parliament, Dr. Sheares, President of our Republic, posed the challenge of excellence to Singaporeans over the next five years. Quality, more than quantity, human, more than physical development, will be our major tasks in the years ahead.

To achieve these goals will require concerted effort on many fronts. First of all, the overall framework must be right. Fortunately, we have the necessary social and political stability. We are devising a system of incentives and penalties to nurture the work-ethic, to induce responsible social behaviour, and to promote maximum development of our human resources. Some of the measures appear harsh, but, responsible Singaporeans will agree that they are necessary. Ours is a unique social experiment in collective discipline in a democratic framework. We cannot afford to fail for, in our context, failure means disaster. Success will mean a healthy, vibrant society which, moreover, will light the way for other developing societies.

As other leaders have pointed out from time to time, our lack of size makes the spirit of cooperation, of community, imperative. This spirit of community should exist at all levels, especially among Government, management, and workers. Even as we pursue self-development, whether in education or in careers, we must be conscious of the need to pull together whenever necessary in the overall interest of Singapore.

At the level of the firm, what is required is a longer investment horizon, where entrepreneurs look for profits over the long term rather than engage in get-rich-quick ventures. We need sound enterprises, durable, and strong enough to withstand competition, and big enough to utilize specialized and professional

skills. Just as we are building stable social pillars in our housing and educational fields, so we must build stable industrial structures. Clearly, our entrepreneurs and managers must have the capacity to absorb new technology, and learn modern methods of organization.

Within larger, more stable enterprises, workers will not be transients but more permanent, if not life-time members. It would then be possible to link remuneration not only to current productivity but also to life-time productivity. Loyalty would also have a role to play alongside meritocracy in increasing productivity. It may be in the best interests of management to provide security of tenure to workers and to examine various material and non-material incentives for them. At a minimum, the removal of discentives must be done.

As we attain conditions of full employment, and as wages go up the need to reduce wastage of labour and to induce greater productivity from labour will be increasingly felt. The study of industrial psychology will assume increasing importance.

From casual observation, work intensity and productivity of people seem to be constrained more by psychological than physical limits. I believe that few people actually reach their physical limits. The feeling of exhaustion is often psychologically induced rather than a symptom of physical saturation. As you may know, there is a law called "Parkinson's Law" which states that work expands to fill the time required for its completion. The pressure of deadlines can sometimes do wonders to one's productivity. Of course, it can also produce ulcers! Nevertheless, properly motivated, people are capable of greater exertions than they normally do.

If, therefore, management can understand the workers' psychology and uplift their morale and motivation, the dividends in increased productivity may be rich indeed. Clearly, an atmosphere of suspicion or sheer imposition of authority, will not induce the best motivation in workers. Full support must, therefore, go to Mr. Devan Nair's call for a spirit of community between management and workers.

Management would be wise to give recognition to responsible trade unions without delay. Responsible unionists can help bridge communication gaps and can induce the necessary industrial discipline required of workers.

The National Productivity Board is building up a corps of bright, well-trained and bi-lingual officers who can help upgrade management expertise and provide training for workers and unionists. We are increasing our range of training and consultancy services, particularly in Mandarin.

The Board can help work out incentive schemes - to encourage greater productivity, benefitting both workers and management. Our officers have experience in setting up works councils, which can be the vehicle of cooperation between management and workers. We are intensifying our efforts in the fields of personnel management and supervisory development, including industrial psychology. In addition, to help firms mechanize, we are setting up a low-cost automation unit. We also offer courses and consultancy services in the fields of industrial engineering, management accounting, and general management. In each field, we have the benefit of an expert from the United Nations Development Programme.

The Board is also expanding its research unit so that it can spot industries which are ailing and can use some help. In particular, our concern is to help the local small and medium scale industries to upgrade their management methods. The unique feature of our courses is the in-plant projects that participants are required to undertake, so that the principles they learn in courses are put into practise. I should add that the Board's operations are subsidized by Government to the extent of two-thirds. As Chairman of the Board, I would welcome your suggestions for the improvement of our services.

It is now my very pleasant duty to declare this Conference open.