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SPEECH BY DR. AUGUSTINE H.H. TAN, M.P. FOR
WHAMPOA, POLITICAL SECRETARY TO PRIME MINISTER
AND CHAIRMAN, NATIONAL PRODUCTIVITY BOARD AT THE
NPB CONFERENCE ON RECRUITMENT AND SELECTION AT
THE REGIONAL ENGLISH LANGUAGE CENTRE ON 15TH FEBRUARY
1973 AT 8.30 A.M.

LOCAL FIRMS AND PERSONNEL RECRUITMENT
AND DEVELOPMENT

On behalf of the NPE I would like, first of all, to welcome all of you to our Conference. The response to our seminars, conferences and courses has been heartening, reflecting an increasing awareness to upgrade organisational skills and procedures in our industries. Economic development implies not only the infusion of new technology, but also, increasing specialization of functions. At the same time, management techniques need to become more systematic.

The large-scale influx of foreign manufacturing firms into Singapore has made the question of modernizing management skills imperative, for the older-established industries, especially the local firms. Many local firms have undoubtedly prospered with the establishment of the new foreign enterprises because of the demand generated for materials and services. However, there are some local firm which have suffered from the keener competition for goods, services and staff. On the one hand, because of superior technology and organisation, the foreign firms may produce higher quality goods and services at comparable or lower prices; on the other hand, the

newer and bigger foreign enterprises have the capacity to pay higher wages and rentals, thus pushing up production costs for the earlier established firms, particularly to local ones. For such firms, the need becomes very urgent to adopt new technology and organisational methods in order to survive.

The question of competition for personnel may become acute for local industries because their selection and recruitment procedures are slow and cumbersome. For example, two years ago, a number of bankers, both foreign and local, approached me for recommendations of students who were about to graduate. The local banks took two months to process the applications. In the meantime, within two weeks, all the top graduates of my class were snapped up by the foreign banks. Moreover, the starting salaries offered were much higher than what the local banks did offer. Quite clearly, those local banks' recruitment and selection procedures need attention.

The lack of sufficiently - talented personnel will affect the competitiveness of the local firms over the long term. Their starting salaries are not high enough to compete for the calibre of executive and management personnel which they need to develop. Moreover, not many local firms undertake training of their staff in a systematic fashion. Many of them also offer their staff slow promotions and insufficient prospects. The net result is that such firms end up with mediocre personnel.

If existing firms, especially local firms, are to survive and prosper in the rapidly developing context of Singapore, their

attitudes towards recruitment, selection, training and retention of personnel must change. Talent is scarce in any country but it is especially so in developing countries. The deployment of talent and its development are critical for viability and growth, whether of a firm or of Government and statutory authorities. Government will have to look more closely into the matter of personnel development. This must be done not only in the foreign firms if genuine development is to take place, but also in the local firms, for their own survival.

For us in Singapore, more than for any other country, economic development means, in the final analysis, personnel development and its optimal utilization. Without a well-conceived and far-sighted personnel development policy, we shall forever be a dependent economy. The procedures of recruitment, selection, training and promotions must be more systematic and appropriate. Moreover, as we grow rapidly, new needs will be generated for re-training personnel. Our tax incentives and other fiscal measures can be tailored to induce firms, both local and foreign, to develop their personnel.

The NPB will play its part in stimulating and motivating managers into undertaking the necessary modernization of organizational and training procedures, vital to the health and growth of our Republic.

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May I wish you all a fruitful Conference? I would welcome your suggestions for further seminars and courses.

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