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INAUGURAL MANAGEMENT LECTURE BY PRESIDENT C V DEVAN NAIR AT  
SINGAPORE INSTITUTE OF MANAGEMENT DINNER AT SHANGRI-LA HOTEL  
ON 31 MARCH 1982 AT 7.30 PM

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TEAM MANAGEMENT AND PRODUCTIVITY

Singapore has made a crucial choice of how we will pursue our economic and social progress in the future. We must increasingly depend on our own labour force. Our major investment therefore must be in the quality of our population. To use the phraseology of the American economist, Theodore W Schultz, we in Singapore have no alternative but to opt for what he called "the economics of population quality".

Gross Domestic Product growth can be stimulated in one of two ways - through increased employment or by raising labour productivity. The first path will call for a liberal immigration policy. In other words, we can flood Singapore with cheap unskilled labour (from Bangladesh, Thailand, Sri Lanka, India, Hong Kong, the Philippines, and elsewhere). But this will be the way, not to higher productivity, but to labour-intensive technologies, low wages, and intolerable strains on our limited living space on an already overcrowded island, and on our social, medical, housing and other programmes.

Fortunately, nearly everybody in Singapore seems to understand that converting Singapore into a massive urban slum, with a largely unskilled population, scrounging around for a livelihood, is the way to perdition. And the alternative to perdition is inescapable - to go up the skill-intensive and technology-intensive ladders, by achieving

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entire self-reliance on our own labour force, through better utilisation, higher training and increased productivity. There is no other way to achieve higher standards of living for our people.

What we do have to import are not hordes of unskilled labour from traditional and non-traditional sources, but higher technology, and most likely, also a fair proportion of the higher managerial and technological skills which come along with higher technology, and which we may not be able to produce from our own resources. Such skills are not easy to come by. Indeed, there is increasing international competition to attract them, and it would be folly for Singapore not to bid in international markets for such scarce expertise.

Our choice of self-reliance on the quality and the productivity of our own working population will not be realised by waving any kind of magic wand. For higher technology will depend not only on the training and development of personnel in terms of providing them with the necessary management and technical skills. It was not the shortage of training facilities which has led to productivity declines in some advanced developed countries. The devil's own brew was responsible, as jointly and severally concocted by those who succumbed to the fatal intoxication of industrial confrontation and strife, fuelled by cantankerous ideologues or demagogues, who believe in a non-existent correspondence between economic wisdom and progress on the one hand, and bellicose verbal productivity on the other.

In fact, the one invariably cancels out the other. But the moment of truth often comes too late.

The catalyst which stirs up and accelerates the creative interaction of skills, equipment, technical and managerial know-how and so on, the end results of which are high-precision, zero-defect efficiency and higher productivity, is in fact an intangible qualitative element. The name is team work and team management.

Now, a team is not born ready made. Members of a successful team are carefully chosen, not haphazardly thrown together. All Singaporeans present at this function will appreciate that there is a method in the excellent madness of good rojak or gado-gado.

The choice of personnel depends, among other things, on the production goals of the undertaking concerned, the markets they have in mind, and the competition they will meet with. In other words, the quality and co-ordination of the team becomes of paramount consideration to labour, management and government alike. And the good manager requires to have that extra something which makes for high team motivation and good team management. Or, if you prefer the phraseology of the shell performance assessors, he must have "the helicopter vision".

I have had the good fortune to know our workers in Singapore. They have the capacity to become group achievers. Foreign managers in Singapore have also confirmed that our workers are capable of the best performance of their counterparts in the advanced industrial societies.

The "why" and the "how" of higher productivity have today become the subject of a good deal of study, research, reporting and misreporting. There are no simplistic solutions, but it is generally acknowledged that team management is of the essence.

In many instances, as in Singapore, this will involve unlearning a whole set of negative work habits, in order to acquire a set of new and positive ones. This will call for an attitudinal revolution, not only throughout the labour management spectrum, but in society as a whole. It is not something which can be achieved overnight. But the foundations of tomorrow have to be laid today, and the work on new habit formation has already begun in earnest, as evidenced by the series of programmes and initiatives undertaken by trade unions, employers' bodies, and the National Productivity Board, either jointly or severally.

We might go about our business a bit faster if some of us shed the idea that Singaporeans would have to become replicas of the Japanese, Germans or the Americans, in order to develop team management. There is no need for a Singapore labour-management team, for example, to learn to live on sukiyaki, tempura, sushi and sashimi, to become as good as a Japanese team. Or alternatively, to take to McDonald's hamburgers and Kentucky Fried Chicken to become as good as an American one. Our workers and managers can continue to patronize our own hawker centres, and still go about developing team management and team achievement-Singapore style!

The Japanese, for example, learned most of their management techniques from the Americans. Only, after having done so, they continued to improve on what they had learned. Similarly, Singaporeans can also learn from the Japanese, Americans, Germans and others, while continuing to remain ourselves.

Essentially, the attitudinal revolution we speak about must involve a total social and cultural effort, beginning with our family units, continuing in our schools, our junior colleges, and on into national service, and in our tertiary institutions. Thus, ideally, a young person who begins his or her working life should already have been equipped, educationally and psychologically, to work as a member of a larger team. But this is a process which will take at least a generation or so. Meanwhile, we still need to provide pointers in new directions for our employers and trade unions.

For successful team motivation, managements need to learn, among other things, the art of capturing the loyalty of dozens or even hundreds of individuals in one enterprise, so that they are motivated to direct their energies towards achieving the goals of the company. They need also to develop trust and co-operation among their employees, a process that often requires overcoming years of bad experience and employees' belief that companies exploit people. It requires that managers learn to listen, communicate, explain, anticipate, and in every way encourage participation and involvement, and thereby help nurture that commitment and mutual understanding needed to prevent employees from becoming alienated.

In the Singapore context, personnel development is a crucial one, because superior human resources create the most central, basic and powerful strategic competitive advantage, that distinguishes the successful enterprise from the declining ones. In short, human resources development should henceforth receive top priority in the consideration of top management and form an essential part of the corporate planning process.

We need to be reminded that employees are stockholders of an enterprise and therefore their conditions of employment and work are as real and as important as those of shareholders and management.

Only when management and labour comport themselves as partners in the productive process can corporate objectives be realised without adverse long-term consequences.

Another aspect that trade unions and managements are looking into these days is the design of a performance appraisal system that is guided by objective and equitable principles. Hitherto, this has been a much neglected area in Singapore. But the NWC recommendation for a second-tier payment has obliged labour and management in Singapore to attempt to evolve mutually acceptable criteria for the assessment of performance. I have views of my own on this subject, but shall refrain from stating them at this stage, as it would not be desirable to pre-empt the discussions on the subject which will no doubt begin soon in the NWC. I shall content myself by expressing the hope that as a result of NWC deliberations this year, the second-tier payment will cause fewer tears in 1982-83 than it did in 1981-82.

Singapore is one of the few countries in the world where the ILO's principle of tripartitism has been demonstrably realised in large part. This has been so, simply because our labour movement chose, at the very outset of nationhood, to evolve with the times, instead of being petrified in the postures and attitudes of the anti-colonial era, as has been the tragic lot of some other developing countries, less favoured by either good fortune or good sense.

Fighting colonial rule and bringing the imperial edifice down was gratifying. Those of us who did share in that struggle do not for a moment regret it. But shooting the ball into your own goal-post is certainly not heroic. It is stupid - abysmally so! I am confident that the labour movement in our Republic will, in the coming years, move further up the evolutionary scale in maturity, intelligence and national vigour. We cannot afford a regression into adolescence.

Finally, may I thank the Singapore Institute of Management for so kindly honouring me tonight.

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