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SPEECH BY MR LIM CHEE ONN, MINISTER WITHOUT PORTFOLIO, SECRETARY-
GENERAL NTUC AND CHAIRMAN NTUC TASK FORCE AT THE INAUGURAL
DELEGATES CONFERENCE OF THE SHIPBUILDING AND MARINE ENGINEERING
EMPLOYEES' UNION AT THE DBS AUDITORIUM ON SAT 18 JUL 81 AT 9.00 AM

It is fitting if I took the opportunity of today's occasion to praise the efforts made by your union's Pro-tem committee in preparing for the formation of the Shipbuilding and Marine Engineering Employees' Union (SMEEU). They, like the members of the other pro-tem committees who took part in the preparatory work, performed their various tasks with admirably commitment. They worked at their own time, toiling selflessly with a sense of purpose. Their devotion to duty has led to today's inaugural delegates' conference of our union.

However I do not intend to sing too much of their virtues and achievements. Otherwise the incoming Executive Council which we shall be electing shortly may come to the wrong conclusion and decide to rest on their laurels. On the contrary, there is much left for the union to do.

This inaugural delegates' conference is but our union's first step towards creating an environment where employees and managements strive together to attain higher levels of work performance. The success of attaining this objective is crucial to everyone since our workers' wage increases from next year onwards will be determined by productivity increases. Hence unless we move up the performance ladder, our workers' wages cannot rise very much more. If we should force wages up beyond what our productivity increases can bear, then our products and services become uncompetitive. In such a situation it would not be long before our factories and companies fold up like falling dominoes. Obviously both wage stagnation and retrenchments are not something workers and unions look forward to. Fortunately for

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us, there is an alternative which is to strive for higher productivity relentlessly. When we succeed in getting a creditable annual increase in productivity, workers' wages can rise regularly without affecting our competitive position. We can then all look forward to fulfilling our higher expectations without the nagging fear of losing our jobs and facing bleak prospects.

We will have to increase our workers' earning capacity through education, training and retraining and by instilling in them the willingness to work as a team member. Employees at all levels must recognise that, while skills and output of individual workers are important, it is outstanding team performance that guarantees success. For this reason, every Singaporean worker, be he a manager or a production worker, must learn to work and cooperate with his colleagues, subordinates or supervisors. When we succeed in getting him to work well as a team member, and with his individual skills, diligence and drive, the Singaporean worker will really be able to compete with the best in the world in whatever fields we choose to enter.

The first priority for the SMREU and the other industrial unions is therefore to get workers to understand this pre-condition for further progress. Our unions will have to make many hard-headed decisions to achieve this especially to bring about a change in traditional attitudes and practices. Particularly, union leaders must take a fresh look at their roles in this concerted effort to create a new framework for further economic and social growth. Let me explain why this has to be done.

As you are familiar with the shipbuilding trade, you will appreciate that the prospects for workers in a shipyard that builds only barges are quite different from the prospects that are available to workers in another shipyard that constructs or repairs oil rigs and specialised or purpose-built ships. In the former case the demand on production and management skills will be minimal while in the latter, it will be skills and good teamwork that will determine whether the ships will be delivered on time and according to specifications. It will not take much to realise that workers in the second shipyard will have a much higher earning potential and better job security. The crux is how do we attract more shipyards of the second type building high-valued ships

to be set up in Singapore? The answer lies mainly in creating a workforce that has the skills and capacity to take on these jobs. Infrastructure, fiscal incentives and other physical attractions alone are not enough.

This explains the importance we have placed on restructuring our industries and increasing our workers' productivity. We need to move away from the traditional low-value added and low-skill industries not because it is fashionable to do so but because it is an essential part of the process of upgrading. If we want to improve our workers' wage potential and standard of living, we must first upgrade our workers' performance level and the types of products we manufacture.

Restructuring is not a one-time process nor does it start and end after a run of so many years. It is a continuous process although the pace may change. A few decades from today we will still be restructuring our economy and urging Singaporeans to acquire more skills. Having moved to middle technology 10 to 15 years from now we will then be moving to still higher technology and still higher value added products. There is no other way if we are to meet the higher expectations of one generation of workers after another.

The recent demise of Rollei Singapore served as a stark reminder to us of this brutal fact. When Rollei Singapore was set up about 10 years ago, it was our pride and joy amongst newly established industries producing what was then a relatively high-value product requiring fairly elaborate skills to produce. Today it has lost out to similar products manufactured elsewhere, particularly in Japan, because our products could not compete in quality and price. This brings to mind the principle that we must improve and upgrade ceaselessly in order to remain in the running for world markets and investments. We cannot afford to stand still nor adhere to traditional practices out of habit, complacency, ignorance or befuddled thinking. To do so is to give up our pursuit of a better standard of living.

As we move into a high skill and middle technology economy, so too must our employers and employees review some of the ground rules that govern employer-employee relations. This would include the basic assumptions which managements and workers have followed all along when

deciding what the other half's motives are. By way of an explanation allow me to pose a few questions at the risk of appearing to have oversimplified what is a complex problem. Take an industrialist who has invested \$20m in plant and machinery to manufacture a high-value added product. Would he not want to do his utmost to motivate his workforce to make the best use of the equipment so that men and machines form an unbeatable combination to produce goods of the highest quality to compete effectively in the world markets? Would it not be in the interest of his workers to ensure that he succeeds in his endeavour? At the same time, since employers know that they are dealing with a skilled and educated workforce, are they unable to understand that workers will respond better to a set of sensible plans designed to increase productivity and performance rather than to blind efforts to manage by decree? In short, without mutual understanding and harmonious employer-employee relations there can be no high performance, and without output there can be no industries, profits, jobs or well-being.

Workers and managements who choose not to ponder over these points carefully but instead opt to adhere unquestioningly to anachronistic attitudes and traditional practices are digging their own graves. As the nature of the industry and workforce change so too must the environment in which employers-employees interact. You do not try to grow weeds and prized orchids in the same type of climatic conditions.

It will be too late to blame recalcitrant workers or irresponsible managements when a factory folds up or if investments shy away. No one is spared, neither production workers nor management staff, when a company collapses or when jobs are lost. It is therefore clear that the well-being of an enterprise should be the shared interest of everyone in the employ of that company. If a company prospers and expands, not only can everyone of its employees expect wage increases but they can also look forward to better security and brighter prospects. It is therefore out of self interest that managements should try their best to motivate workers while employees should recognise that it is in their interest to respond sensibly.

We do not lack the intelligence to see and understand this need for joint effort to produce mutual benefits. What we have to do is to exercise the will and make a conscious effort to bring about this change.

We have seen workers in a few countries following these principles and making the grade while others struggle along, falling over one another and not getting anywhere in their anxiety to uphold out-dated and irrelevant cliches and slogans. We will have to decide which way we want to go. Our union's primary task is to find out the most effective response to this challenge.
