

SPEECH BY PRIME MINISTER LEE KUAN YEW
AT THE LAUNCHING OF PRODUCTIVITY MONTH
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PRODUCTIVITY: WHO BENEFITS?

In August 1982, The Times Organization had a survey on productivity awareness. The survey shows that practically all Singaporeans have heard about productivity. But they still have deep misunderstandings of the concept. Eighty-one per cent of Singaporeans considered teamwork to be a very important factor for higher productivity, which is correct. However, the survey also showed that 70% felt that the company would benefit most from productivity improvement. In other words, 70% did not understand that higher productivity is in the interests of the workers as much as management because it will enhance their job security through making their goods and services competitive internationally.

So long as workers believe that productivity is for the benefit of managements to make bigger profits through workers working harder and smarter, we shall not succeed. It is only when our workers understand that productivity means that the company they work for becomes more competitive and will stay viable even under the most severe of economic conditions, that the

productivity movement will be on the move. And with the world economic outlook bleak for the next few years of economic and banking uncertainties, the increased productivity of our workers will help multi-nationals to expand in Singapore even when they retrench elsewhere. For higher productivity is the way managements are able to give their workers job security in bad times, and more benefits and higher wages in good times. A keen sense of productivity must become part of the ethos of our people as it is with the Japanese. This is the long road we must travel if Singapore is to become a developed society by the 1990s.

The benefits of productivity must be shared and enjoyed by all management and workers. Then workers will develop that sense of a common destiny in the survival and prosperity of the company. Workers will give of their best only if their well-being is closely related to the performance of their companies. Hence we must gradually move away from broad and uniform NWC recommendations towards a system of wage increases based on increased productivity and profitability of specific companies and industries.

If we are to succeed, managers must learn to manage effectively. They must make productivity a major function of corporate operations. Every member in an enterprise must be motivated to increase productivity. A management

which does not place priority on the productivity-consciousness of the workforce must fail in competition against those who do.

Productivity is a complex issue involving many factors. All Singaporeans must gradually grasp this concept and its full significance. Then their attitudes will undergo a profound change. This will take time. The quickest start is to convince the central or core group of managers, supervisors and union leaders, people who are able to make changes in the work environment and influence other workers, to change their attitudes and increase their comprehension of productivity. That is the first phase target of this Productivity Month.

Our political stability and sound policies have made for good economic progress in the past two decades. Foreign businessmen have invested in Singapore and have enabled our industrious workers to produce goods and services that are competitive in international markets.

As we climb up the technological ladder, the going will get tougher. Diligent workers, excelling individually, will not be good enough. Managers and workers must work together as a team. Those countries where management and workers are locked in adversarial combat, like Britain, are losing out to those like

Japan where management and workers cooperate to achieve ever higher productivity.

The old “them and us” attitude between labour and management Singapore inherited from the British, and which the communists accentuated and exploited, must be expunged. Our new cooperative approach, which has contributed to our success, is now to be enshrined by amending the Trade Unions Act, which is based on British practices, to redefine the role of trade unions from one of confrontation with management to one of cooperation, to increase productivity to the benefit of both management and workers like in Japan and in Korea.

The present definition of a trade union is negative and out of date. A union’s principal object is to represent its member in trade disputes; or to promote, organise or finance industrial action; or to impose restrictive conditions on the conduct of any trade or business. Our new definition has been adapted from Japanese and Korean legislation. It defines a trade union as any association or combination of workmen or employers to (1) promote good industrial relations, (2) improve the working conditions of workmen or enhance their economic and social status, and (3) achieve the raising of productivity for the benefit of workmen, employers and the economy of Singapore. In these two different definitions lie two different attitudes to work and cooperation. It is this

difference in attitudes which account, in large measure, for Japan's success, and Korea's rapid growth.

All successful managements have in common a man-centred philosophy. Healthy labour-management relations and good work attitudes amongst all workers depend on good management philosophy in which care and concern for the workers are high in management priorities. It is more important for management to have sincere concern for their workers than to provide increasing employee benefits. Next, there must be good communication between management and workers and between workers themselves. Effective teamwork requires good leaders and good communication, thus ensuring a proper sharing of work, with every member performing the work he knows best.

In nearly all work situations, small consultative groups can help get the workers involved and motivated, and also tap their intimate knowledge of the work. Hence QC circles is one of the best tools to increase productivity.

Workers' involvement and contribution will also create in them a sense of pride in their work and an identity with the enterprise they work in. The public sector has made a good start with WITS or Work Improvement Teams.

It may take 15 to 20 years to get Singaporeans as productivity conscious as the average Japanese or Korean. A change in outlook cannot be achieved in a productivity month. It is only the beginning.

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