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SPEECH BY MR ONG PANG BOON, MINISTER FOR LABOUR,  
AT THE SINGAPORE EMPLOYERS' FEDERATION ANNUAL DINNER  
HELD AT ISLAND BALLROOM, SHANGRI-LA HOTEL  
ON THURSDAY, 17TH NOVEMBER 1977 AT 8.00 P.M.

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Once again I have the pleasure of attending your Annual Dinner. Among those present to-night are delegates from the inaugural ASEAN Employers' Meeting, recently held in Kuala Lumpur. This event is yet another step towards strengthening ASEAN.

What the ASEAN delegates have discussed are matters of direct interest to them as employers. Comparing notes, exchanging experience, and discussing mutual problems must contribute towards greater goodwill and understanding. This is a political plus for ASEAN regional development. Better appreciation of industrial relations and industrial growth will enable ASEAN entrepreneurs to see the problems of different countries in proper perspective. But getting together periodically will only be meaningful, if, in the end, it results in concrete and positive realisation of the aims of the Bali Summit.

Entrepreneurs represent powerful economic interests in their own countries. They can exert pressure on their own governments to increase intra-ASEAN trade or to the contrary. ASEAN regional economic co-operation is finally measured by the growth of intra-ASEAN trade, matched by a common will to deal with the rest of the world as an economic group. A prosperous and expanding ASEAN regional economy will be a factor which the industrial world cannot ignore.

Internationally .....

Internationally, the world's economy has improved over the low level of 1975. But its growth is still uncertain and remains slow. High unemployment rates, excess plant capacity, lagging investments, and inflated prices are still plaguing the leading industrial nations. The latter have resorted to protectionist measures and reduction of investment overseas to cope with their domestic problems.

In Singapore, we are particularly vulnerable to such developments. For foreign trade forms the larger part of our economic activities. Our economic growth is almost synonymous with the increase of foreign investment and the expansion of overseas trade.

The only way to ensure further economic development is to continue making Singapore an attractive investment centre and our manufactures and services competitive in an increasingly tough world. One of the principal keys to the situation is that labour and management should continue to work for industrial peace. Wage increases must be tied to economic growth and higher productivity. We are unlikely to see again the prosperous years just before the recession. With hardwork, we can expect only moderate wage increases in the future, and only if we adjust wages in an orderly fashion.

As a whole, labour has responded to the situation responsibly and with restraint. Our trade unions have supported moderate wage increases, the freezing of fringe benefits; they have also pressed for the establishment of productivity committees. The NTUC has

already begun actively educating its branch union leaders on the prospects facing Singapore, and has examined how labour should meet the challenge. The NTUC has plans to educate its lower echelon leaders and to make its members aware of the problems and challenges ahead.

But the burden is not only for labour to carry. Employers have yet to match the effort already made by labour. Increase productivity cannot be a one-sided affair, if there is to be industrial peace. Employers must improve their management of personnel, plant and machinery.

"From each his economic best, to each his economic worth" is a sound principle. It accepts the principle that without profit, there can be no enterprise. But it does not regard labour as another commodity in the production process, like land or raw materials. There can be no healthy industrial relations unless workers are recognised for what they are - human beings.

Much of the present industrial relation situation can be traced to bad personnel management. The recent case of a company unilaterally imposing the rule that workers should obtain passes to go to the toilet is a striking illustration of the current situation.

In the last decade, the number of manufacturing establishments has almost doubled to 2,500 while the work force has quadrupled to 207,000. This development has not been matched by the growth in management personnel to supervise the work force.

The result is that many people are given responsibilities to deal with personnel, for which they are not adequately qualified by experience or training, from management level right down to supervisors at the front line.

The problem is compounded by the fact that companies do not give enough importance and credence to personnel function, for some companies detail their secretary, administration and finance men to handle industrial relations. Even when companies have personnel departments, they do not vest their personnel men with sufficient authority and recognition to carry out their responsibility.

There is yet another reason for the current difficulties. Many expatriate managers bring to Singapore ideas of industrial relations that work in their home countries but cannot be applied here.

It is obvious that there is room for improvement of the present state of personnel management. There can be no improvement unless employers recognise and accept as a fact that a motivated work force can result only from a well-cared work force. As the labour force becomes better educated, and trade unions become more sophisticated, management can no longer hang on to outmoded view of absolute management prerogatives. Job satisfaction is not merely a matter of dollars and cents; it includes such intangible values as human dignity, self-respect, and the sense of being cared-for.

Employers should, therefore, accord adequate importance to personnel management, and have a positive personnel policy as guide for their personnel officers to deal with their employees. They should make greater efforts to upgrade and develop management techniques for all ranks of management - from top management down to front line supervisors. Learning from trial and error is too slow and costly a process. We cannot afford this in Singapore.

What can be done? Foreign companies should brief their expatriate executives thoroughly on local personnel practices and industrial relations, while employers' organisations like the Singapore Employers' Federation and the National Employers' Council should, together with the National Productivity Board and other training organisations, work out a programme for improving personnel management.

Many industrial problems originate from minor grievances. Where no meaningful dialogues exist between employers and employees, such grievances are not settled expeditiously, and become protracted problems. It is desirable, therefore, that companies should have regular dialogue with their staff and the trade unions. Employees and union branch officials should be acquainted with broad company operations and policies. Grievances procedure should be formulated, widely publicised and practised. Management and trade unions should have close liaison. The acid test of industrial harmony lies in the way in which grievances are settled. Their settlement will be expedited if the parties to the disputes have already established mutual understanding and confidence.

Employers' organisations, like the Singapore Employers' Federation can play a key role in industrial relations. The kind of advice and lead it gives to management can significantly improve relations between employers and trade unions. It can advise employers that a legalistic approach to labour problems, while convenient and even justifiable at times, will often aggravate grievances. For a labour dispute cannot be divorced from personalities or socio-economic factors. In the last analysis, industrial relations are bound up with human relations. Goodwill, good sense, compromise and the need to have a proper balance between short term concessions and long term gains will greatly improve relations between employers and employees.

If employers improve and are obviously seen to be improving their efforts to reduce labour grievances, trade unions will be less credible if they criticise management for its shortcomings. The President of the Singapore Employers' Federation has, tonight, reiterated employers' commitment to the principle of increased productivity in the sharing of prosperity. The government welcomes this re-affirmation. But it can only work if management makes and is seen to be making its share of efforts in raising productivity. The raising of productivity must, in the last analysis, benefit not only the profit-seekers and workers, but also our Republic, for we can only thrive if our goods and services are competitive in international markets.