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**SPEECH BY MR ONG TENG CHEONG, DEPUTY PRIME MINISTER AND
SECRETARY GENERAL, NTUC AT THE SINGAPORE AIRLINES STAFF
UNION DINNER AND DANCE AT RAFFLES BALLROOM, WESTIN PLAZA
ON 8 DECEMBER 1991 AT 8.00 PM**

Each year, SIA invests millions of dollars in buying new aircraft to add to its stock, or replace older ones. As a result, it has one of the youngest fleets in the world. Last year, SIA spent \$55 million on the training of its staff. The strong emphasis placed on staff training has contributed to the high quality of service provided by the airline.

Although investments in equipment and training are important factors for SIA's success, we should not forget a less tangible, but equally important, form of investment. I am of course referring to the investment, by both the management and unions of SIA, in cultivating good industrial relations.

Good industrial relations contribute towards a conducive business environment, both at company level as well as at the national level. SIA has itself benefited from the harmonious industrial relations climate in the country as a whole.

We must not take good industrial relations climate for granted. The present calm in the industrial relations scene is the result of strenuous efforts by unions and management. They must never let up in their efforts in this regard.

Fostering good industrial relations is an important pre-requisite for nurturing better teamwork within the organisation. Good team work can only come about if members of the team are on

good terms, trust each other, and understand the difficulties that each faces.

With cooperation and mutual trust, the company will be able to implement its business plans more smoothly. It will also be able to adapt more swiftly to the constantly changing business environment with the full support of its staff. This is important if the company is to stay competitive. This is equally important for the workers as well. If the company performs well, the employees will have a stronger claim for higher wages and better bonuses.

However, let me emphasise here that this cooperation and trust between companies and their employees must be mutual, not one-way. Companies must reciprocate the support and cooperation shown by their staff with concrete action, not rhetoric and empty promises.

One case in point is the cutback in CPF contributions by employers during the 1985 recession. Unions and workers unflinchingly agreed to accept - not just a wage freeze - but an effective 15 per cent wage cut and the adoption of other cost-saving measures to help their employers tide over the bad spell.

Within one-year, employers' CPF contributions were slashed from 25 per cent to 10 per cent. The understanding then was that employers would restore that CPF cut when times were better. Since 1987, our economy has enjoyed steady growth. In fact, GDP growth averaged more than 9 per cent over the last three years. But, from 1988 when the first partial restoration was made, CPF rates have gone up by only 7½ per cent. Many employers made a hue and cry even over the 1 per cent restoration in their CPF contributions this year.

As long as our economy is growing, CPF rates should be adjusted each year to achieve our long-term target of 20 per cent contributions by both employers and employees as soon as possible. Workers depend on their CPF savings to pay for their

home instalment payments and their medical care, and to provide for their old age after retirement. If employers do not show a more positive attitude in this area, our workers will be less willing to help them the next time a recession hits us.

Recently, there has been some concern that relations between SIASU and the SIA management were less than cordial. In a large organisation like SIA, it is to be expected that problems will arise from time to time. But there is no reason why these problems cannot be resolved in an amicable fashion.

I urge the management to pay closer attention and accord greater priority to issues and grievances brought up by the union. Be more sensitive to the concerns of the union, no matter how small they may seem. On the other hand, the union must be reasonable and fair-minded in its demands. Individual union officials must also strive to maintain a high standard of discipline and moral conduct, so as not to lower the image and respect which the management has of the union.

As SIA gets bigger, and its operation gets more complex, good teamwork will become an even more critical requirement for success. Good teamwork is only possible if there exists a relationship between the union and the management that is based on mutual trust and respect. There can be no doubt that cultivating such a relationship is a profitable venture for both the union and the management.

I wish all of you an enjoyable evening, and a fruitful year ahead.

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