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SPEECH BY MR TEH CHEANG WAN, MINISTER FOR NATIONAL DEVELOPMENT AT THE NATIONAL PRODUCTIVITY COUNCIL'S PRODUCTIVITY CONGRESS, 1982 ON "PRODUCTIVITY IMPROVEMENT - THE WILL AND THE WAYS" AT KATONG ROOM, SHANGRI-LA HOTEL ON THURSDAY 25 NOV 82 AT 0900 HOURS

It is my pleasure to welcome all of you to this National Productivity Congress. The presence of nearly 500 senior representatives of Management, Trade Unions and Government at this function is a clear demonstration of support by all concerned parties in our Productivity Movement.

PRODUCTIVITY WILL

The findings of a recent Times Survey commissioned by the National Productivity Board revealed that the productivity message has reached most Singaporeans. However, there is still need to promote a better understanding of the productivity concept.

Our workers seem to believe that productivity improvements are for the benefit of their companies. This impression must be corrected before we can make further headway in our productivity movement. We must understand that productivity gains also benefit the employee. Without improved productivity, companies cannot keep on paying higher wages or creating new and better jobs.

As a nation, we will stagnate and then fall behind if we do not increase productivity. And we, not being fortunate enough to be endowed with any natural resources, have nothing to fall back on. Productivity improvements are, therefore, the responsibility of everyone. We must all try to work faster, harder and smarter.

Productivity is not ...

Productivity is not something we can have by command or by pushing a button. We must be committed to the concept. We must have the will to strive, innovate, and do better. Without the "productivity will", no amount of money or productivity campaigns can make us become more productive. Productivity must become the creed of every working man and woman of Singapore. The objective of our productivity movement is to develop a workforce which is both conscious and committed to making us a highly productive nation.

PRODUCTIVITY WAYS

To nurture and sustain the "productivity will", we must have a supportive environment. In this regard, management has an important role to play. Firstly, management must build and maintain good team work and high morale among employees. This requires an atmosphere where the personal advancement of the employee is closely related to that of the company. Secondly, management must be able to motivate employees to perform effectively through an equitable reward system. Thirdly, management should instil in employees a sense of loyalty by allowing them to be involved in the shaping of the company's philosophy. This philosophy which defines the purpose of the business, when jointly set up by management and employees, will provide a unifying force for the organisation. Finally, management must provide enough opportunities for the training and development of employees. With skill and attitude training, a highly motivated loyal and productive workforce can gradually emerge.

I have no doubt that the efforts of the participants and experts on management and productivity at this First Singapore Productivity Congress will provide stimulating thoughts on the "will" and the "ways" of productivity improvements. As the Minister in charge of housing, public works and other physical developments, I fully appreciate the impact of higher productivity on nation building.

Our construction industry,...

Our construction industry, important though it is, is hampered by low productivity. As a result, construction jobs have to be done by more and more workers. This is an untenable situation as we have a very limited supply of manpower.

Increasing productivity should be the aim of everyone engaged in construction. I believe we can raise productivity in the following ways:-

- 1) build up a core of contractors who are knowledgeable and committed to productivity improvements;
- 2) promote more widespread use of industrialised methods of construction;
- 3) upgrade and intensify skill training; and
- 4) promote the use of machinery to raise productivity.

CONTRACTORS

Singapore contractors have to be more organised and efficient. Most of our contracting firms are small family-based enterprises, employing little capital and skilled expertise. While such low overheads give price advantage and flexibility in the short term, and may have been adequate in the past, it does not permit the upgrading of contracting capacity to do the larger and more sophisticated jobs ahead. Unless there is a greater injection of project management skills, backed up by professional staff, our contractors would not be able to respond fully to the productivity movement.

Therefore, to encourage upgrading of contracting capacity, my Ministry will soon be requiring contractors to employ engineers and technicians before they are permitted to undertake larger public sector contracts.

Industrialised methods ...

INDUSTRIALISED METHODS OF CONSTRUCTION

Industrialised methods of construction entail the extensive use of machinery and factory prefabricated building components assembled on site by trained workers. The more industrialised the construction industry is, the higher will be the productivity. Work can be done faster and better. Less men will be needed on the site.

For the public sector, HDB has awarded four contracts to construct 52,000 housing units using the industrialised method, to be completed by 1987.

For the private sector, there is a limit to the extent of industrialised construction because of the variety of designs and products. However, the private sector can still, and should respond to industrialisation by specifying and using more standardised building components in their construction jobs. I have, therefore, set up a Committee to look at the measures that may encourage this development. Among other things, the Committee has recommended the adoption of the modular coordination system for Singapore. Under this system, architects and designers submit plans based on standardised modules available for construction. Details of implementation will be worked out in future in consultation with the private sector.

TRAINING

Construction training is mostly done on-the-job. It is therefore haphazard, with inherently high wastage rates. Construction training should be more organised and coordinated to create a better trained and skilled workforce. With this in mind, my Ministry intends to set up a Construction Industry Training Centre next year to teach both modern and traditional construction skills. A study team has just returned from Hong Kong, Taiwan, Japan and South Korea. The master plan for the Training Centre will be drawn up soon, based on the findings of the study team.

MECHANISATION

Productivity is a process of producing more output with less men. Increased mechanisation is a part of the process. It is also a contributory factor to raising productivity. To help contractors who are organised and knowledgeable enough to use appropriate technology, we have, in the recent past, introduced several loan and investment incentive schemes to help them. Response to the loan schemes has been excellent with \$50.3 million loans approved. Seven applications for investment allowances are also being evaluated for a total amount of equipment worth \$13.8 million.

The schemes are constantly under review to ensure that they remain attractive and accessible. Contractors who borrow from the Ministry of National Development Loan Scheme should also apply to the Skill Development Fund for an interest grant which would help to lower their borrowing rate.

It is absolutely necessary for us to develop a skilled and highly productive construction workforce. It will be an uphill task. With the cooperation of all the parties involved, and the will to organise ourselves for the task, I am sure we can make more headway in raising construction productivity in the coming decade.

It now gives me great pleasure to declare this Congress open.
