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SPEECH BY DR WONG KWEI CHEONG, MINISTER OF STATE (LABOUR),
AT THE OPENING OF THE ASIA PACIFIC CONFERENCE ON MANAGEMENT SERVICES
HELD AT THE EQUATORIAL HOTEL ON THURSDAY, 19 AUGUST '82 AT 9.00 AM

Introduction

The prolonged world recession has further reduced the growth of the Singapore economy. For the first half of 1982, the economy expanded by 6.8 per cent. In fact the real gross domestic product (GDP) in the second quarter of 1982 only grew by 5.7 per cent, compared to a growth of 10.8 per cent in the second quarter of 1981. This is the lowest rate of increase since 1976.

The Asean economies are also expected to achieve slower growth in 1982. Malaysia and Thailand had lowered their growth forecasts. Malaysia has in fact cut its budget allocation by M\$4 billion this year. Singapore has already revised its growth rate this year from 8 - 10 per cent to 5 - 7 per cent.

The OECD countries expect an economic growth of 0.5 per cent in 1982. Even Japan has revised its official growth forecast for 1982 from five per cent to three per cent. Unemployment in the USA has reached 9.5 per cent, the worst ever in 41 years. The international economic situation certainly remains bleak.

Retrenchments

Our manufacturing industries have been most exposed to external economic conditions. As a result, manufacturing output dropped by 4.7 per cent in the second quarter of 1982 compared to a growth of 12.6 per cent in the second quarter of 1981. This is the first negative growth in six years. Industrialists have become generally pessimistic about their business prospects.

Retrenchments/2.

Retrenchments followed. A total of 1,552 workers were retrenched in the second quarter of 1982 compared to 1,505 retrenched workers in the second quarter of 1981. The Ministry of Labour has made a study on the characteristics of workers recently retrenched. Female workers comprised about 54 per cent of the total retrenched. About 53 per cent of the retrenched workers were below 31 years of age. What is more significant is that the majority of those retrenched were poorly educated. Eight out of ten had at most post primary education.

These are interesting statistics. Employers are responding to our call to restructure our economy. The high wage policy had induced our industries to upgrade and reduce the proportion of unskilled workers.

Role of Workers

Workers should recognise the changing trends. The National Productivity Council has launched the productivity movement. We will inculcate **the** concept of productivity into every adult and child. Employers have responded to the productivity movement. Training is an important element of the productivity movement. Employers have agreed to provide more training facilities. Workers should respond to this need for more training.

Workers should equip themselves with technical skills. They can only do so after they have mastered the three R's - reading, writing and arithmetic. This is their best defence against retrenchment. Recent events have shown the bias of management against poorly educated workers when it comes to retrenchment.

We should regard this as a good **sign**. Companies are trying to remain competitive through automation and mechanisation and cutting back on their use of labour, especially unskilled labour. Workers should take their training seriously - even at the sacrifice of missing their favourite TV programmes. Even if their companies are not organising any evening classes, workers can always find a **suitable** course run by the VITB, or a private technical or commercial institution.

Role of Management

In addition to the provision of training facilities, employers need to streamline their organisations to ensure the survival of their organisations. In order to remain competitive during a world recession, organisations must adopt management styles that can get the best performance out of their workers. Better management leads to higher productivity.

This Conference is timely as it deals with management systems. Experts in the various fields of management have been gathered here to share their experience in people motivation, decision making and career development. These are important subjects. They form the basis of all management styles, be it Japanese, American, British or Dutch. Which is the management style best suited to Singapore? This has been widely discussed. Opinions differ.

Perhaps you could deliberate further on this subject of management styles. Let me offer you the following suggestions. A good management system should have the following elements:

- (a) Commitment
- (b) Cooperation
- (c) Consultation
- (d) Competition
- (e) Communication
- (f) Confidence
- (g) Community

These are the seven C's of good management. Let me explain.

Seven C's

COMMITMENT pertains to the way workers identify their interest with the interest of the company. It is a measure of the workers' loyalty to the company. COOPERATION relates to teamwork. Corporate success depends on good human relationships leading to good labour-management relationships. CONSULTATION refers to participative management. Nobody likes to be ordered around. A worker is more likely to put in his best performance if he is made to feel that he is part of the decision-making process. These three elements - COMMITMENT, COOPERATION and CONSULTATION are familiar terms.

They are/4.

They are the basis of people-centred management systems.

The other four factors - COMPETITION, COMMUNICATIONS, CONFIDENCE and COMMUNITY - are the fruits of a good people-centred management system. COMPETITION leads to innovations, enhanced quality and cost reductions. A good team has a better chance of winning in any competition. COMMUNICATIONS leads to better understanding. Workers make less mistakes and achieve higher productivity. CONFIDENCE follows. Workers and employers work as a dedicated team. The company operates like a big COMMUNITY. Workers feel that they are members of an extended family. The company succeeds.

Conclusion

Can you accept the seven C's as the basis of a good management style? Think it over. I hope you will use this forum to explore some of the key issues related to management styles. Productivity depends on management.

On this note, I am pleased to declare this Conference open.
