

Singapore Government

# PRESS RELEASE

Information Division, Ministry of Culture, City Hall, Singapore 0617 - TEL: 3378191 ext 352, 353, 354 / 3362207 / 3362271

12-3/82/08/30

SPEECH BY MR EUGENE YAP, PARLIAMENTARY SECRETARY (LABOUR),  
AT THE OPENING OF THE FIVE-DAY RESIDENTIAL SEMINAR ON "THE  
K J METHOD" AT APOLLO SENTOSA ON MONDAY, 30 AUGUST 1982 AT 9 AM

The word quality has become a term which no respectable business or industry would dare to ignore especially these days when competition is so keen that survival centres around the ability of the business or the industry to sell to consumers. But what distinguishes a top quality business or industry from a mediocre one is the billion dollar question, the answer to which is as elusive as it is desirable. We in Singapore are very fortunate today where there is a tremendous amount of information available to give us enough clues to the possible answers. We are also very fortunate in that we are a newly industrializing country. There are others that are more advanced than us. They are the ones ahead of us in the tracking team. They are the ones who provide us with the topography as they track their way through the world's economic jungle. It is only common sense and logical that we study the topography carefully and take the right track to success. It is prudent for us to learn from the experiences of those who have gone before us and avoid the mistakes and pitfalls as we go along. It does not make sense not to do so. It would only be that pride which comes before the fall.

To date, the Japanese have been able to give us the clearest example of how to increase productivity through adherence to quality. They have brought to us a new concept, a new meaning to quality - the conformance to specifications or requirements as viewed from the customers' point of view. Make all your products to conform with the requirements of the majority of consumers and you will create the demand that is so necessary to a company's survival. It has been this conformance to consumer demand that has been responsible for Japan's and some other countries' very successful entry into the American consumer market, so much so that America's share of its own steel industry has dropped from 95.8 per cent

to 81 .....2/-

to 81 per cent over the period 1960 to 1979. The same case can be observed in the metal cutting tools where America's share has dropped from 97 per cent to 75 per cent and calculating machines from 95 per cent to 57 per cent. Furthermore, 28 per cent of the sales of new cars in America last year were manufactured abroad, 30 per cent of their sports cars, 34 per cent of their microwave ovens and 90 per cent of their motor-cycles!

It is difficult to believe that the decline in sales happened suddenly. The America that was once the leader in the field of quality must have neglected quality for many years, that is the seeds for such a situation in America must have been sown a long time ago. By the same token, for us to gain a competitive edge over other countries will require a period of time for the process to take root. We must therefore choose our seeds wisely, sow them very carefully but quickly and tend to the young plant very painstakingly till it grows to become a big, strong, tall tree producing the fruits of quality. So we must start off on this road to success very carefully, first taking the right road and then taking our directions ever so often to make sure we reach the destination.

To do this, we must be clear in our minds the right way to produce quality products. We must understand that quality is more than just making better products - calculators, houses, furniture etc. It involves the right management practices, the optimum and productive use of employees' talents and a country's infrastructure and resources to produce a product or to provide a service that will satisfy consumer needs and preferences - and increase profitability. Not being able to do so can lead an industry or a business to bankruptcy which means a waste of a country's infrastructural facilities provided for good business and its other resources such as its people, their time and their talents. The needs of the consumers change rather rapidly at times and it is the duty of the company selling the product or the service to constantly keep in touch with such changing needs. The industry has to constantly feel the ground for these changes and make adjustments to suit majority needs. Therefore, although quality means an almost religious adherence to specifications, these specifications can change as and when the majority of consumers needs change.

Take the television for instance. When it was first conceived, this innovative idea alone sold the product. Whether the picture on the screen was clear or not really does not make much difference to the consumer then. As more brands enter the market, more and more people begin to buy the product. The presentation of the product becomes very important - its appearance. This is conspicuous consumption. Later on, when the television became part of the consumer's lifestyle, meaning the whole family uses the television as entertainment and for news, consistent conformance to the consumer's requirements begin to determine whether a brand will sell or not. When everybody just about owns a television set, then not only must the television conform with specifications, but economy of the set becomes an important consideration. These changing needs of the consumer will go on and it is the business of the company that wants to survive to keep track of the changing demands of consumers.

Therefore the question that lies before any company concerned with its continued survival is whether it has the team, that group of people sufficiently trained and fit to work together to produce quality products that will sell. The better the people, the better the team, the better the products.

This reminds me of my school days when we were playing rugby with Raffles Institution. We used to watch Raffles Institution wherever they go. Whichever school they played with, we were there to watch them play. Who were their strong players; which positions they play; what were their strengths and weaknesses. We would then work out various strategies to win the game. We had to keep very fit and train hard to win. Similarly to win in the commercial world, we have to work very hard together to make products or services that will sell.

Our workers do care very much about the product they produce and the company they work for. They want to do all they can to make the company financially sound. This can only take shape with enlightened leadership - leadership that cares and goes through great pains providing workers also with the education and training to improve their performance. Quality work and the ability to understand even the most simple operating and maintenance instructions

requires some ...4/-

requires some level of literacy otherwise, even the most well-designed equipment and the most innovative management techniques will be either under-utilized or not efficiently utilized at all.

There is an immediate need for proficiency in the fundamental skills of reading and numbers. Without literacy and numeracy, it will be difficult to build more complex skills necessary to perform the more specific jobs, thus making workers unable to contribute to the production of quality products and quality work.

Both you and I are aware that quality problems cannot be caused mostly by workers. It is more likely the other way around. Management is the one that sets the stage where workers play. Management is responsible for the standards they set to which workers respond. If we provide a rotten stage where the floor boards creak; where the curtains or the stage lights do not work, then quality will go up the creek. If the manager is slipshod with the specifications he sets, the workers will provide the same.

Therefore, it is in the interest of everyone who has anything at all to do with the manufacturing of a product - the boss, the employee or the raw material supplier, to make a conscious effort to work diligently and carefully from the very day the product is conceptualised, right through manufacturing to testing and inspection. Ample care and concern must be taken throughout the process of making the product rather than sorting out the defective ones at the end. This is defect prevention. This will avoid costly rework and scrap. It is high time management takes a closer look at the cost of scrap or rework and use it as a form of barometer for production efficiency; or the cost of failure of a project as a measure of how much thought is given to a new product before manufacturing for sale.

Today, we expect management and labour to work as a team together. Similarly, we expect suppliers and companies to work equally well in a team. Companies should therefore first encourage their suppliers to work together with them so that assistance can be given to suppliers to develop their quality programme in every way possible.

This brings ...5/-

This brings me to a point I would like to share with you. At one time, I used to think that having more than one supplier of a particular raw material ensures continuity of supply. It also prevents the supplier from holding a company to ransom. So we all go for multi-sourcing concept. Today, I believe this concept may not work so well because it appears as a kind of 'divide-and-rule' principle which does not generate loyalty between supplier and company - instead it creates suspicion. Hence, it is worthwhile to think seriously of a one-supplier system where the company can treat the supplier as one of its own and work closely with it.

Of course, when everything else fails, consumers can still play a very important role in making Singapore synonymous with quality and reliability. Especially so are large consumers like government and huge companies. They must impress on contractors and suppliers the fact that the quality of their services or products depends very largely on what suppliers can supply. They can help in this national movement by demanding strict compliance to all legitimate technical requirements, withholding payments and terminating contracts where necessary. This can be effectively applied to recalcitrant suppliers who refuse to work with companies in a team.

We must press on; we cannot afford to relax; or become complacent (which is possible in view of all our success so far providing the optimum climate for decline to set in) that we oversleep as I suspect happened to America, which woke up one day to the rude shock of finding their former students become their teachers. This is a lesson we have to learn from the Americans. Had Singapore been in America's shoes today, we would have faced more serious and disastrous consequences beyond imagination. We cannot afford to go wrong. America has vast resources to cushion them, we have not. Therefore, we must keep on learning, improving and working harder.

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

---