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# Singapore Government

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SPEECH BY MR EUGENE YAP, PARLIAMENTARY SECRETARY (LABOUR), AT THE NATIONAL SEMINAR ON "TOWARDS A MORE PRODUCTIVE WORKFORCE" AT THE SINGAPORE CONFERENCE HALL ON SSTRURDAY, 13 NOV 82 AT 3.20 PM

Many of you here today will be able to recall the early sixties when Singapore was plagued with strikes, most of which were due to sabotage by anti-national left wing unions. In 1961 alone, there were 116 strikes, causing a loss of 410,839 man days. This is like a medium sized company of less than 200 workers working from eight in the morning to five in the evening for 5½ days a week, closed down for nearly a month. Between 1960 and 1965, the average man days lost due to strikes was 199,658.

Perhaps to give a clearer picture of the industrial scene in the sixties, reference to part of Dr Goh's talk on 8 January 63 would serve the purpose. In this talk, Dr Goh mentioned of an assembly plant belonging to an international company where the communist led unions created trouble by instigating workers to go slow and to absent themselves. The situation was so serious that the productivity of this plant was worse than that of a new assembly plant started by the same company in Central Africa which employed people from primitive villages.

These strikes in the sixties were instigated by enemies of Singapore to disrupt stability and growth, so these people went about preventing children from going to school, misleading workers causing many to lose their jobs, damaging companies so that they cannot operate, with the result new companies were discouraged from setting up in Singapore, thus creating unemployment.

Our labour situation today is a far cry from the situation in the sixties. Our problem today is not only to find 28,000 to 29,000 jobs

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a year between now and 1990. Our problem today is that the skills content of most of these jobs will have to be raised as yet. Had our industrial scene today been the same as in the early sixties, it would have made this job impossible for the Government. Had we depended solely on our entrepot trade to provide these jobs, we would have been in trouble a long time ago for the simple reason that it cannot grow fast enough to provide sufficient jobs for the number of people coming out from the schools, the universities and other tertiary institutions each year.

But why? Why was entrepot trade the prevailing trade in the early days? Because the political climate was not stable. The economy was also unstable. There was a lack of industrial technical skills and experience. Besides being in an advantageous geographical position, entrepot trade required only working capital or no working capital at all, if trade credit was given. It is therefore understandable that businessmen practised short-term investments during that period. Only projects with quick return were executed because of future uncertainty.

We have moved successfully through the somewhat 'exciting' though dangerous and explosive phase of the sixties. The seventies was a period of further industrialization with upgrading of manufacturing and the development of financial telecommunication, port and air services. Investors' confidence in Singapore strengthened. Of course, we had our share of difficulties in the seventies as well. The oil crisis and the beginning of the world recession were the worst.

As we move into a more competitive future, we must make sure that we maintain our industrial peace; that our employers treat our workers with care and concern; we must provide the various infrastructure and incentives for higher level investments. We are now at the beginning of another period ahead of us - the eighties.

Now, I would like to dwell on one aspect of this national productivity movement, namely building up a more productive workforce. The question is: How do we improve, perfect if you like, the quality of our working environment so that all levels of employees in a company can work happily together to further improve productivity?

The search for an answer to a more productive workforce is not a new idea, something we stumbled upon accidentally. Our PM spoke of it several times in the sixties. What is important today is our workforce. The Nation, as a whole, must have productivity in our blood. It is not enough just to have heard the productivity message. Productivity must be our way of life. To achieve this aim, we must have a very clear picture in our minds the true meaning of productivity. We must understand the importance of productivity to our survival - our family's survival. Our work attitude must be right so that higher and higher level of investments can be attracted to Singapore to manufacture products that will be able to survive protectionism and other unfair trade practices. We must be able to make products that are highly reliable so that demand can be created. We also want to be more innovative.

The Japanese idea of productivity is indeed a revealing one. They take productivity as an attitude of the mind; of the constant improvement of that which exists. It is the certainty of being able to do better today than yesterday and less well than tomorrow. It is the will to improve on the present situation, no matter how good it may seem, no matter how good it may really be. It is the constant adaptation of economic and social life to changing conditions; it is the continual effort to apply new techniques and new methods; it is the faith in human progress. Yes, we must bear this in mind, we must be able to do better today than yesterday and less well than tomorrow if we want to succeed. It is exactly for this reason that, in 1981, a Committee on Productivity was established to find ways of increasing productivity so that future competitiveness of Singapore can be further enhanced. This led to the establishment of the National Productivity Council to launch a nationwide productivity movement.

Many of you here know that human resource is our only resource and it must be employed as efficiently as possible. As I said earlier, our industrial scene today is an extremely far cry from the labour management relations in the sixties. Today, as we move into higher level technology industries, management and workers must be able to play more and more of a complementary role. Management must not forget that they are as much a human resource as workers and it is compulsory that they combine efforts to increase productivity. Management must remember that

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they do not want to do unto workers what they do not want workers to do unto them.

We all require a new set of work ethics and habits in order that our company will do well. Whatever it is, the Japanese have shown to us the way to better productivity. They have proven themselves in their sound economy which is highly related to good work ethics. We must closely study the factors responsible for the success of these people, extract and assimilate what is best for us. Our method of improving our society must be eclectic.

I am confident that Singaporeans will be able to make it again. Our attitude towards work will further improve and when this happens, the quality of products must also further improve. Quality and productivity are inseparable. To alienate them is to misconstrue productivity. There is no use in increasing productivity if quality deteriorates proportionately. The cost of doing things wrong can be tremendous and will affect productivity significantly. Making bad products therefore is the price that the company has to pay for non-conformance. This is all the money an organization spends because someone somewhere does not do his job correctly. This is waste. Up to today, I have not been able to find a situation where it is less expensive to do the job correctly the second, the third or the fourth time. It is always cheaper to work correctly right from the beginning.

The cost of non-conformance can amount to about 15 per cent to 20 per cent of a company's revenue. If we add this to the cost of inspection, test, checking, etc, it can easily come up to 25 per cent of the company's revenue. This is the cost of not working correctly. This is a lot of money and need not be that high. Reducing the cost of doing things wrong increases productivity. To be able to reduce the cost of doing things wrong does not require a lot of money or more people or new products. It only takes a change in management style.

At this point, it is also worthwhile considering even with an extremely productive workforce, a workforce that is loyal and dedicated and committed to producing quality goods, this workforce can be limited in its surge ahead towards higher productivity, if employers carry on employing antiquated machinery for production. Employers must therefore

remember that they have to periodically upgrade the production equipment in order to maintain its competitive edge against manufacturers in the more advanced countries. They must plan ahead so that they can provide the proper training and education for their workers so that, come the time when they install new and more automated faster equipment, workers will be able to handle these efficiently and correctly.

We must continue to work together to keep upgrading and improving our industries. Not doing so will cause us to lose our markets. Unemployment will increase and we cannot enjoy a better pay each year and therefore a higher standard of living. From now on, if we all want more pay, we must justify these wage increases by striving for higher productivity. Therefore, in future, higher wages can only be earned if productivity can go up. We must not fall into the same trap as some industrialized countries are in today where higher wages are not commensurate with higher productivity increases.

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