

Singapore Government

PRESS RELEASE

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SPEECH BY BG (RES) GEORGE YONG-BOON YEO,
MINISTER OF STATE (FINANCE) AND (FOREIGN AFFAIRS),
AT SINGAPORE QUALITY RELIABILITY ASSOCIATION'S
DINNER AND DANCE AT PAN PACIFIC BALLROOM
ON SATURDAY, 19 NOVEMBER 1988 AT 7.30 PM

Chasing quality is not easy. There are people who hope that computers and robots can one day solve the problem of quality in manufacturing. While human beings are fickle and quarrelsome, machines are not. Unlike human beings, machines are wonderfully predictable. Human beings, you see, are the problem, they say.

The truth, unfortunately, is not so simple. Quality is a relative attribute. In the market place, what matters is how much better a product is compared to another. Company A can automate but then so can Company B. Where is the competitive advantage? In the end, human beings still matter the most, and they matter fundamentally because, even if you use robots, you still need human beings to programme and maintain your robots, you need human beings to carry out R&D, to service customers and to do a host of other activities which computers and machines can never do.

The quest for quality is thus endless. The scientific aspect of it is important. We need engineers and statisticians to keep up with the latest developments. We need to teach these subjects to our students.

The social or cultural aspect is, however, even more important. A company with an environment that is relatively more conducive to quality improvement enjoys a competitive

advantage that is difficult for others to overcome. You can buy a robot. I can buy a robot too. But a company culture which harmonises the use of robots is more difficult to emulate.

American companies lose out to Japanese companies not for lack of knowledge but for lack of 'virtue'. What do I mean by lack of 'virtue'? In today's knowledge-intensive marketplace, a high degree of co-operative effort is required for a company to compete effectively - in information-gathering, in product design, in manufacturing, in marketing, in servicing customers, and all this over a long period of time. A company of individualists - of managers, engineers, supervisors, workers and unionists, who care only for themselves or their sub-groups - can never match companies which are better co-ordinated internally. This is a serious problem in America where even CEOs feel insecure about their own long-term position in the corporation. So CEOs insist on golden parachutes for themselves, middle-managers have silver parachutes, and the guys below little tin ones. As individuals, Americans are a talented people but, as business units they compete at a disadvantage in today's global environment.

The quest for quality will fail without the virtue of group loyalty which binds together in common effort employer and employees, management and union, old and young.

By themselves, company managers can do a great deal to create an internal environment that promotes quality. But they are limited in what they can achieve by the national ethos within which their companies operate. In Singapore, the Government plays a central role in fostering a national ethos which encourages the pursuit of excellence.

In a sense, nations compete like companies, and the perception of Singapore as Singapore Incorporated is not altogether inaccurate. SQRA, SISIR, NPB and bodies like the National Productivity Association are, in that sense, government or government-sponsored corporate agencies which help Singapore Inc compete world-wide. Quality promotion in Singapore is a national effort.

Since 1978, the SQRA has organised special programmes and courses to spread quality control knowledge. It concentrated on the manufacturing sector in the past. In the last two years, the SQRA has begun to promote quality enhancement in the service sector. I congratulate the SQRA for its contribution to Singapore's economic development.

But we must continue to improve on our standards and our performance. Other countries are catching up on us. We cannot afford to stay still. And we must never forget that, to succeed, we need both knowledge and virtue.

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