

Recession: Dr Mahathir warns against surrender

NST - 4 NOV 1985
By K.H. LIM

KUALA LUMPUR, Sun. — The Prime Minister tonight warned of a danger that managers of the world may despair at the current recession and resign themselves to the collapse of the system.

"Should the managers surrender, then catastrophe will follow," Datuk Seri Dr Mahathir Mohamad said.

"It is unthinkable that the market economy the managers have built up, the market economy that has contributed so much towards human prosperity, could deteriorate so the managers cannot put it right again."

Dr Mahathir made these remarks when he opened the 20th World Management Congress organised by the World Council of Management at the Shangri-la Hotel.

He described the pre-

sent global economic situation as undergoing a period of "unprecedented recession".

He said expectations had been that the recession had "bottomed out" and that recovery was "just around the corner".

"There is recovery but it is shallow and transient. The subsequent bout of economic depression hits a new low.

Pessimism

"There is a danger that the managers among us may despair and resign themselves to what seems to be the inevitable, the collapse of the system."

At the same time, Dr Mahathir called for a greater need to be positive, to look for opportunities and to advantageously manage these opportunities.

Despite the prevailing bad times, he said, managers should not be over-pessimistic, give in passively, seek excuses or hurl

accusations.

He said there were many instances where managers had risen to the occasion and had profited.

The business environment is now increasingly characterised by intense domestic and global competition, economic uncertainty, accelerated technological breakthrough, constantly shifting markets, changes in consumer behaviour and alternating calls for liberal trade and protection.

"Our own diligence and efforts can easily be frustrated or negated by the selfish counter-actions and policies of others.

"The only thing that is certain is uncertainty. It is under uncertain conditions that the best qualities of managers are tried and tested."

He said "Managing for Excellence" — the topic for the congress — was within the reach of any

★ TURN TO P2, COL 1

'Managers must have total commitment'

NST - 4 NOV 1985
● FROM PAGE ONE

organisation, country or people.

Managers must have an inquiring mind, an eye for opportunity, and total commitment to managing with maximum benefit.

The world had gone into recession before and had recovered. The present recession must be managed at all levels so that recovery will come soon.

Malaysia has full commitments to the pursuit of excellence and had critically examined, in the last five years, all things

that had been taken for granted.

"We have questioned old policies and approaches. We have even assaulted many administrative and management methods that have been considered sacred.

"At least the Government has."

Excellence

This assault on the traditional and the familiar has met more than the usual quota of criticism and resentment.

The Malaysia Incorporated concept where it helps the private sector to flourish is based

the concept of Government as the regulator and enforcer.

Privatising whole Government departments runs contrary to the age-old trend of the Government expanding its role.

Awarding turnkey projects to foreign contractors caused an uproar but it has also forced locals to adopt and adapt to new methods, to be conscious of quality and quality control circles, and other aspects of excellence in management.

The pursuit of excellence requires efforts, en-

It takes tremendous investment of energy, time and resources to create and build the foundations of excellence.

In striving for excellence, Dr Mahathir said, Malaysia had to constantly face, ride and win over the voices of cynicism, apathy, dissent, resistance and short-term orientation.

"In short, the commitment to excellence must be a national agenda, national consensus, a collective commitment to a common purpose.

"There is no short cut on the road to excel-