

# 'Review reward

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KUALA LUMPUR, Mon. — Employers need to rethink the basis of rewards given to employees as the present practice leads to inflation and regression of the national economy. Datuk Seri Dr Mahathir Mohamad said.

The Prime Minister added that over time, the present system will also lead to the regression of the individual's wealth.

"It is fine to follow a system that seems to promise unlimited reward but in the long term, the whole system will turn sour," he said when opening the second executive programme on project appraisal and risk

analysis management at Bank Negara here.

The programme is organised by the Harvard Club of Malaysia, Institute of Bankers (Malaysia) and the Harvard Institute of International Development.

Dr Mahathir stressed the importance of conducting "spirit-building" courses to develop the resilience and perseverance needed for hard work and to give workers the confidence to face new challenges at their workplace.

"The workers of dynamic Eastern nations use all their working hours for work. Preparations and cleaning

up are not done during working time.

"Additionally, all workers are prepared for daily overtime in order to make up for labour shortage.

"Workers who are able to suggest changes to improve productivity should be fully encouraged to do so.

"In many instances, they know better their working conditions and how they can be improved for greater efficiency."

He said the strong demand for manpower resulting from the rapid economic growth since 1988 had resulted in wages increasing.

Describing this as natu-

ral, he questioned whether wage increases meant a mere increase in the amount of money given or an increase in the purchasing power of workers.

"It is obvious that more money which buys the same amount of goods as less money is quite meaningless.

"Worse still is more money which buy a lesser amount of goods."

He added: "Our thinking on income is based on conventional ideas of reward for service. Despite much talk of wage-price spirals we still demand higher wages as if we will be richer simply because the number of

## scheme for workers'

noughts are more.

"In some countries which seem incapable of getting out of recession and becoming competitive, the pay for top executives is ridiculously high.

"Executives get double or treble annual increments, a percentage of the profits and stock options. Shareholders don't seem to mind as long as they too get good dividends."

Dr Mahathir said as such, executives then strived to show profits every quarter while ignoring the long-term fate of the business.

Research and development, re-investment of prof-

its to update facilities, marketing and promotions and other steps to ensure the continued health and competitiveness of the company were all ignored in order to show the highest quarterly profits possible.

"Executives and workers literally rob the company blind. Yet these companies seem surprised when they cannot seem to do well."

The Prime Minister said company and bank executives and employees should ponder the different philosophies of East and West. Malaysia was still part of the dynamic economies of East Asia.

How long it would remain a member of this "elite group" depended not only on how the Government managed the economy but on the understanding of the working of the economy by workers, managers, directors and shareholders.

"A free enterprise system does not guarantee economic success.

"It is how we apply the system which will."

Dr Mahathir advised employers to always strive for the highest standards in human resource development and to keep improving in every field to remain competitive.

He told them to train their manpower, improve workers' understanding of economic fundamentals, equip them well to cope with changing tasks and changing times, and, to look after their interests, manage them well and reward them for their contribution.

Dr Mahathir later made a surprise inspection of a pedestrian bridge over Jalan Kuching which was built by Bank Negara for its employees and office workers from nearby Government departments, including the Prime Minister's Department and the Home Ministry.