

Man of integrity and principles

A CONGLOMERATE is a strange animal that, unless carefully managed, can turn up some interesting surprises. In the late 1970s, when I joined Sime Darby, we had more than 200 companies in the group, operating in 20 countries.

Years before that almighty board room battle in Singapore for Sime Darby to assume its Malaysian mantle, the company had been, particularly under chief executive Denis Pinder who spent several months in a Singapore gaol, on a relentless acquisition rampage.

By the time Sime Darby came home, it had all the makings of an organisation that had lost its compass. Under group chief executive Tunku Ahmad Yahaya's stewardship, Sime Darby got its act together and the foundation for a home-grown dynamic international company was firmly laid.

Having just acquired Dunlop Malaysian Industries, Southeast Asia's best known automotive and aero tyre manufacturers, Sime Darby had a positive gleam in the eye when America's famous Goodrich Tire Company's Philippine operations came on the market.

With the manufacturing facilities in Manila came a large hectare of rubber in the rebel-held south, and a twin engine Cessna executive aircraft. The aircraft was an absolute necessity for travel in those troubled parts.

In those days, the company insisted on a minimum annual return of 20 per cent on capital employed. Every executive knew what was expected of him and excuses were accepted only in the most exceptional circumstances.

Our Philippines plantation was barely meeting the productivity target that had been set for it. The Dutch manager of the property was an excellent planter, very experienced, and he loved what he was doing.

We thought he was not telling us the whole truth about the consistent-



COMMENT

By Tunku Abdul Aziz

ly poor yields. Fred Whiting, Sime Darby's legal counsel, and I decided to pay our Dutch manager a visit.

The visit had been classified "Top Secret". All communication was via our own wireless centre in Manila as the use of landlines was forbidden by the company for security reasons.

We set out from Manila in a state of considerable excitement. To add to our anxiety, the pilot mentioned somewhat too casually, I thought, that the plane had been shot at occasionally.

He tried to calm our nerves by saying that the rebels were not particularly good shots, and there was nothing much to worry about.

The island on which the plantation was located looked deceptively blissful, the sort of place one often dreamed about. On the final approach, I realised that there was not going to be a proper runway.

The landing zone was a rough grass strip between old rubber trees. After recovering from the shock of landing on that makeshift strip, I began to take in the surroundings.

The strip was surrounded completely by scruffy men in jungle green, all armed to the teeth. I thought they were members of the company's security detail, but soon realised who they really were.

That night, after a dinner of rice and fish in the manager's wooden bungalow perched on a hillock overlooking a vast expanse of territory under rebel control, he finally told us about the rebels with whom he and his workers had, out of necessity, to coexist.

If he refused to pay the rebels, his workers would be intimidated and his rubber trees would be damaged,

as had happened on many occasions.

The poor man was in a dilemma. He was on the point of packing it in because he felt he was fighting a losing battle, what with the rebels extorting money and the executives in Kuala Lumpur breathing down his neck demanding higher productivity.

He felt that the only way for Sime Darby to remain in business in the Philippines was to lower our ethical standards and pay the rebels.

We sympathised with his situation, and said that we would make a report to the Sime Darby board with a suitable recommendation. We were pleased when the Cessna took off for Manila but felt rotten about allowing our man to operate on the ground in those ethically unacceptable conditions.

Fred and I knew instinctively that we would not recommend that the company should submit to extortion and bribery. We very much hoped that the people on the board — which included Tun Ismail Ali, Yong Pung How who later became Chief Justice of Singapore, Anand Panyarachun who later became Prime Minister of Thailand and Tunku Ahmad Yahaya, and headed by Tun Tan Siew Sin — would support our recommendation.

The board, taking the cue from Tan, decided unanimously that Sime Darby would rather close down its business in the Philippines than act unethically by paying a bribe. Tan would not only not hear of it, but also made it very clear that anyone caught either accepting or offering a bribe would get the boot.

The message reverberated throughout the Sime Darby world, and the rebels in the south stopped being a nuisance. It all goes to show that if you stand by your principles, the purveyors of corruption will soon realise the sheer futility of taking on a company that will not budge an inch from its entrenched ethical position.

That tough decision was expected of Tan as a matter of course. He was well known for his integrity and his



The late Tun Tan Siew Sin was revered for his stewardship and honesty

highly developed sense of stewardship.

Ever so careful with his own money, he was even more protective of other people's money under his care. He was straight-forward in his dealings and you always knew where you stood with him.

In 1982, Tan and I attended the World Economic Forum, then known as the European Management Forum, in Davos. When we arrived at Zurich airport, a white stretch Cadillac had been placed at our disposal, courtesy of our London office.

Typically, the first question was, "How much?" I replied, quite honestly, that I had no idea.

He then asked whether we should take a train instead and save a lot of money? I said that might be a bit difficult because the car had been booked and probably paid for, and in any case we had four large suitcases between us.

He saw the logic of that argument and stepped into the warm embrace of luxury that only an American auto manufacturer can offer.

As he settled in, he stretched his legs the full length of the richly carpeted compartment and was set to enjoy the mountain drive to the famous ski resort, the venue of the forum.

He bent forward to retrieve the *Financial Times* from the floor when a small light green bottle dropped out of his coat pocket. I picked it up,

thinking it was a bottle of pills.

I was somewhat surprised to see that it was a bottle of pickled "chilli padi". He proclaimed without a trace of embarrassment that the best food in the world counted for nothing if it was not accompanied by his beloved chilli.

That first evening, he kindly invited me to dinner with him in a magnificent restaurant, full of luminaries of the stature of former British Prime Minister Edward Heath, former German foreign minister Hans-Dietrich Genscher and others.

Tan had ordered a fancy dish because he was familiar with Swiss cuisine, having lived there a number of years in the thirties when he was sent to recuperate following an illness.

I could see he was not enjoying the meal much. When the waiters were away, out popped his pickled chilli and you could see the look of complete satisfaction on his face. A true Malaysian.

Tan was a big game hunter and a mean athlete in his youth, but for me, the most important of all his great attributes was his uncompromising integrity in both his personal life and in the performance of his public duty to his nation.

■ The writer is a former special adviser to the United Nations secretary-general on ethics. He can be contacted at tunkua@gmail.com