

**Speech By : DATO SRI NAJIB TUN RAZAK**

**Title : MALAYSIA'S CEO OF THE YEAR AWARD 2008**

**Location : SAPPHIRE BALLROOM, MANDARIN ORIENTAL, KUALA LUMPUR**

**Date : 16-02-2009**

Assalamualaikum Warahmatullahi Wabarakatuh and a very good evening.

Yang Berbahagia Tan Sri Mohamed Jawhar Hassan

Chairman, The New Straits Times Press (Malaysia) Berhad

Yang Berbahagia Dato' Sri Abdul Wahid Omar

President and Chief Executive Officer of Maybank

Yang Berbahagia Dato' Anthony Bujang

Chief Executive Officer, NSTP

Encik Azman Mohd Zain

Managing Director of Deloitte Malaysia Sdn Bhd and Chief Judge for Malaysia's CEO Award

Mr. Kula Kuelndran

Senior Vice President, Head of Global Network Services, American Express International Incorporated

Yang Berbahagia Dato' Syed Nazri Syed Harun

Group Editor, New Straits Times

Honourable Panel of Judges and moderator

Tan Sri-Tan Sri, Datuk-Datuk

Ladies and Gentlemen,

1. First, allow me to thank the organizers for inviting me, once again, to present Malaysia's CEO of the Year Award. This award, since its inception in 1994, has come to be viewed as the premier prize presented to an individual who has displayed leadership in and of his organisation.

2. The current global economic challenges have put CEOs in the front and centre of attention. They are under the microscope, their past actions are being scrutinized and their behaviour and actions going forward are being closely watched. They are expected to rise to the challenge and steer their organizations and corporations out of troubled waters that the world economy is now in.

3. The business world is witnessing massive upheaval and scandalous revelations. The crisis calls for a re-examination of the corporate culture and the way business has been done. In some of the scandalous revelations in the US, it has proven that business as usual is not an option any more. That model has been broken. A new way needs to be found. It calls for active, innovative, aggressive leadership and bold decisions.

4. In view of this, effective leadership has never been more important. Periods of

economic stress test the ability and capability of CEOs and demands that they rise to the challenges. Crisis tests an individual's abilities more than the good times ever do. Undoubtedly, most leaders will be tested by a few minor and major crises during their tenure. How the individual steers through such troubled times will show the mettle he or she is made of.

5. The CEOs of today are being tested on several levels, both internally and externally. While they may have some control over their internal environment, they certainly do not know what awaits them externally in the current volatile business environment.

6. Loyal and hardworking employees are the best asset of any organization, and yes, even in the high tech era and in the computerized age. It is important to retain talent and more so during difficult times. Strengthen and retain what you have. Pull your talent together and take decisive decisions. Do not let good talent get away. It will be more difficult to find them when the recovery comes, which will come, just as the sun will rise again tomorrow.

7. CEOs must train and equip staff with the appropriate knowledge and skills to enhance efficiency and improve competitiveness. R and D is important to develop new products, improve current product quality, improve production processes and technological capabilities. These cannot be ignored even during difficult times. And as businesses become more complex, decentralized and globally dispersed, the need for real time integrated information system is essential for improved communication, better analysis and for making quick and informed decisions for any corrective action that might be needed.

8. The role of the CEO is ever more challenging and demanding. In today's fast

paced, hyper competitive, technology driven world, common sense and good judgment matters more than ever. As leaders of your respective organisations, the shareholders and the board are not your only constituency. Your decisions and actions have implications far beyond your office and company.

9. Your employees look to you for guidance, direction and to safeguard their jobs especially during times of crisis and great challenge. Your shareholders look to you to safeguard and add value to their investments. Your peers look to you for support and counsel. Your customers look to you for efficient service and quality products at affordable prices.

10. Therefore, to face the rapidly changing and increasingly hostile economic environment that affects your business, CEOs as leaders, must be prepared to change the “reactive” mindset, make a paradigm shift “take the bull by the horns” and be proactive in addressing issues that threaten your livelihood and the well being of your employees and customers.

11. The current economic challenges have put the CEOs to even more stringent tests. Many businesses and corporations around the world, and many of them giants in their own fields, have been brought down to their knees. The high flying CEOs of major institutions including those at Citigroup, Lehman Brothers, Merrill Lynch and AIG, have taken a mighty fall.

12. The greed and malpractices of CEOs unveiled in the US has not only affected their own personal reputation but have also in some cases destroyed the organizations that they once led. The fallout is affecting the employees, who have lost their jobs; the shareholders, who find their investments and savings reduced in value; and confidence in the broader economy has been eroded. It is a lesson for

CEOs, including those in Malaysia, that integrity, honesty, good business judgment and ethical business practices cannot be compromised. Business leaders have a duty and an important role to play in restoring credibility and rebuilding confidence.

13. Today, the CEO is expected to be pro-active in contingency planning, to anticipate and prepare responses. Expediency in the appropriate response can negate losses. As the Chinese word for crisis, Wei ji, is composed of two characters signifying “Opportunity” and “Danger”, the current crisis with its many downsides also offers opportunities. It is necessary for business leaders and CEOs to seek out the possibilities in these challenging times. You must do this to remain relevant, sustainable and competitive.

14. Leadership is a demanding role even during times of relative calm. It calls for balancing of internal and inter-business relationships and more so during a crisis, when courage and desire to lead well and effectively are put to the test.

15. Businesses are downsizing, retrenching and reducing the number of work days. Many of the institutions that were household names around the world have disappeared and the workings of their internal corporate culture has been shaken to the core. The faith and confidence of their employees, shareholders and customers has been shattered and it will be an uphill task to regain their trust and rebuild the company’s reputation.

16. In the fast paced world of business, CEOs must not only multi-task and cater to the varied and different demands on their time from the multitude of constituents; but they must be ahead of the business cycle in ensuring the continued survival of their businesses. While the bottom line and the financial performance of a

company is important, there is more to running a corporation than just bottom lines.

17. The continued survival of the company and that of the CEO will depend on the leadership and skills demonstrated in enhancing competitiveness and efficiency of the corporation; retaining and building confidence of their employees, maintaining trust of shareholders and retaining loyalty of customers.

18. In the current difficult environment, CEOs are required to deliver far more than they have done so in the past. A lot rests on your shoulders as business leaders - shareholders, employees, customers and the community at large demand total commitment from business leaders to deliver on your promise to provide the best service and quality products with honesty and integrity. They will accept nothing less.

19. On that note, I congratulate the recipient of “Malaysia’s CEO of the Year 2008” award.

Thank you.

Deputy Prime Minister’s Office

Putrajaya

16 February 2009

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