

SPEECH BY: DATO' SERI DR. MAHATHIR BIN MOHAMAD
(PRIME MINISTER)

EVENT: THE OPENING OF THE 20TH. WORLD MANAGEMENT CONGRESS

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TIME:

Yang Berbahagia Datuk Jaafar Husin,
President of The World Council
of Management;
Distinguished Guests;
Ladies and Gentlemen;

I feel honoured to be asked to address this 20th World Management Congress, and to open it officially. To our foreign guests who have come from all corners of the world, I would like to say 'selamat datang' to Malaysia and I hope you will find time after this Congress to get to know KL, as the locals call it, and this country better.

Ladies and Gentlemen,

2. The World Council of Management cannot choose a better or more appropriate topic than 'Managing for Excellence' for this Congress in Kuala Lumpur. Managing for excellence seems to be on the lips of every manager, irrespective of region, state or nationality. We are constantly showered with books and periodicals that focus on what needs to be done to create and attain excellence in management. Many models, principles and prescriptions for excellence have been identified, expounded and elaborated by academics and management consultants. But like everything else managing for excellence is easier said than done.

3. In this context we may perhaps agree with the opinion of several learned scholars and observers that in the present era, in this time of global recession, it is getting tougher and not easier to achieve excellence. Today the business environment is increasingly characterised by intensified domestic and global competition, economic uncertainty, accelerated technological breakthrough, constantly shifting markets, fundamental changes in consumer behaviour and the alternating call for liberal trade and protectionism. 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.

4. But then managers who can only manage under fixed

conditions are not truly managers. The real managers are those who can forecast and foresee changes, who can meet them and overcome them. It is during uncertain conditions that the best qualities of the managers are tried and tested. It is then that their ability to manage for excellence will show up.

5. And so despite the prevailing bad times we need not be over-pessimistic or give in passively nor seek excuses or hurl accusations. There is an even greater need now to be positive, to look for opportunities and to manage them to our advantage. In fact there are many instances and examples where managers have risen to the occasion and have profited. Thus when foreign exchange becomes a problem for many countries, managers have adapted and benefited from counter-trade. Currency has now become a commodity and is traded like any other commodity. Cash management has been refined to an art and profits extracted from what would have been idle capital.

6. It is comforting to note that the reported cases of new and successful enterprises, do not come from any given region, country or nationality. 'Managing for excellence' is within the reach of any organisation, country or people. The important thing is for managers to have an enquiring mind, an eye for opportunity, and total commitment to the task of managing whatever presents itself in order to extract the maximum benefit. The world had gone into recession before and had recovered. The present recession must be managed by managers at all levels so that recovery would come soon.

7. Malaysia has fully committed itself to the pursuit of excellence. In the last five years we have critically examined all the things that we have been doing or which we have 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.

8. Change is always uncomfortable. And this assault on the traditional and the familiar has met more than the usual quota of criticisms and resentment. Thus the idea of a country as a corporation in which the Government, that is the officials and staff of Government departments, helps the private sector to make profits is quite alien to the concept of Government as the regulator and enforcer. Similarly turning over whole Government departments to the private sector is contrary to the age-old trend of the Government expanding its role. Leadership by example means the top men coming to office earlier and wearing name-tags instead of privileged disregard of rules by the executives including the Prime Minister. Work-flow charts, office manuals, desk files, management courses, up-dates, etc. are all part of the process of up-grading management capacity in Government.

9. In the private sector turnkey contracts given to foreign firms have caused an uproar. But it has also forced the locals to adopt and adapt to new methods, to appreciate time, to be conscious of quality, and the role of the Quality Control Circles and a host of other details that generally make for excellence in management.

10. What is clearly evident, from our own experience and those of others, is that the pursuit of excellence requires efforts, energy, time and sacrifices. It takes tremendous investment of energy, time and resources to create and build the foundations for excellence. The leadership and managerial quality that is most highly desired for the tasks in hand is perhaps the will to lead and succeed, the deep abiding commitment to excellence; the persistence and patience needed to steer and persevere in the management of programmes for increasing productivity while remaining dedicated to quality. The will is born out of a genuine commitment and love for the organisation and country, a deep sense of mission and purpose to see the country prosperous and respected by the world.

11. I must however hasten to add that this "will" to succeed and excel may not lead to the final effects if it resides in the minds and actions of the top leadership and managers only. Plans and strategies are only good if they are implemented. No vision or brilliant strategy can succeed if we cannot implement them or if it is implemented without due care, proper attitude and discipline. Indeed we need to do much more. We have to ensure that the commitment and dedication to excellence is espoused and shared by every member of the organisation; that it should finally become the "superordinate value" or the culture of organisation and society. This is by no means easy. We have 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 excellence. We have to work for it. We need the stamina of a top-class marathon runner rather than the speedy sprinter.

Ladies and Gentlemen.

12. We may also take note that no organisation or nation, however successful, can afford to rest on its laurels. It pays to be vigilant and receptive. Today's winning product can be obsolete tomorrow. Without proper care, a peaceful, stable and prosperous state can easily become unstable, hounded by civil strife, conflicts and revolts. History has given us enough insights into the evershifting bases of civilisation and modernisation, the constant ebb and flow of prosperity, wealth and power. We should take cognizance of the natural law of entropy, which states that living things, if left to themselves, will degenerate to a state of disorder, anarchy, and disintegration. Obsolescence and

death is the natural order of things. Any project, for instance, has a life-cycle; the transition from birth, development and maturity and finally to the state of death.

It takes strong will, profound thinking, sound strategy and good management to negate the entropic process - an action-programme which is now conceptually defined as the process of negative-entropy. Effective organisational management is not only desirable, it is in fact a social necessity, a prerequisite for survival, progress and excellence. We certainly require more and greater amounts of energy and "thinking" if we hope to lift the organisation from the state of survival to the level of excellence.

13. That "thinking" is needed more than ever today when the world is going through a period of unprecedented recession. Again and again we have been told that we have bottomed out, that recovery is just around the corner. There is recovery, but it is shallow and transient. The subsequent bout of economic depression hits a new low. There is a danger that the managers among us may despair and resign themselves to what seems to be inevitable, the collapse of the system. Should the managers surrender then catastrophe will follow.

14. It is unthinkable that the market economy that the managers have built up, the market economy that has contributed so much towards human prosperity, could so deteriorate that the managers cannot put it right again. The wealth of the world did not just happen. It was the result of human ingenuity, of man's ability to manage his environment. Needs were created which went beyond just food, clothing and shelter. From these needs came demands and the supply to meet the demands. And so an economy develops and managers manage. Whether one economy is better than another depends very much on the abilities of a country's managers. Thus many countries have land and climate suitable for rubber growing but few manage to be the top producers of rubber. The managers make the difference.

15. The competition is unending. To relax and rest on one's laurels is to invite stagnation and then displacement. And so managers must continue to improve management techniques, to search for excellence. The reward is great. Managers by whatever title are the highest paid people in the world. Even in Malaysia they command very high salaries, at least in the private sector.

16. But the greatest reward is not material wealth. It is the knowledge that a degree of excellence in management skill has been achieved and a disorderly collection of men material and money has been brought together and husbanded so as to become a cohesive force to overcome obstacles and yield returns. Excellence is a reward in itself.

17. I would like to commend you on the theme of your discussion, 'Management for Excellence'. It is a quest for

perfection, the elusive goal of civilized man. Today the field is management. Perfect management is unattainable, for only God is Perfect. But we must still try, and even if perfection is not achieved, we will at least be less imperfect. And that is worth the labour.

Ladies and Gentlemen.

18. With the hope that you will gain much by your discussion and dialogue, I now take great pleasure in declaring open this 20th World Management Congress.