

ThEME Case Studies

CASE: IF YOU BUILD IT WELL, THEY WILL COME: 21ST CENTURY SYNOPSIS OF ED SCHEIN'S 1996 STRATEGIC PRAGMATISM

5/31/2013 - by ELIZABETH EDERSHEIM

Written in 1996 by Edgar C. Schein, retired MIT Sloan School of Business professor and one of the world's foremost experts on organizational culture, *Strategic Pragmatism: The Culture of Singapore's Economic Development Board*, focuses on how culture has driven the phenomenal success of Singapore's Economic Development Board (EDB). The EDB was set up in 1966 as a quasi-governmental organization aimed at spearheading Singapore's economic development – and, consequently, the rapid, stunningly successful rise of Singapore's economy.

Strategic Pragmatism speaks to the reality that economic success is about more than just the numbers. It is also about creating and sustaining an innovative model for economic development such as that embodied by the EDB, upon which Schein's book focuses. Such a model may well be applicable to unexpected locales, such as American states struggling to revamp their economies in the aftermath of losing their industrial bases. While the more developed western world's current economic challenges are often the legacy of conventional policy and decision-making that have outlived their relevancy in the face of new realities, Singapore had to start from scratch once it achieved full independence from Britain in 1965. Nevertheless, Singapore's economic development model can be instructive for both the developed-but-struggling and the developing world today.

What the EDB has Delivered

Lester Thurow noted in his 1996 forward to *Strategic Pragmatism*: "In thirty years Singapore has gone from being a third world country...[to] being on the edge of the rich industrial world. No country has ever developed faster."

Within five years of the 1966 launch of Singapore's EDB, more than 100 major companies had invested capital in Singapore, including HP, Thomson Electronics, Bethlehem Steel, Lockheed-Martin, and Exxon.

Fast-forward to 2012. Over the last 3 years, Singapore's GDP has averaged a growth rate in excess of 7%. Since 1966, it has experienced a 30-fold increase in GDP, and the education level of its population has moved from near the bottom of ranked countries to consistently being among the top 10 in the world. The U.N. now rates Singapore as one of the top 5 countries for pollution control and social responsibility efforts, and in 2013 EconomyWatch describes Singapore as a "highly successful free market economy ... enjoying a remarkably open and corruption-free environment, low inflation, and a per capita GDP higher than most developed countries."

And, from the outset, Singapore's customers have had very positive experiences, as current customers attest (see Appendix), and as Schein points out in his book.

"Nothing was too difficult for them, they always were able to solve whatever problems came up. They cut the red tape. We don't even think of red tape anymore."

—Peter Chen, CEO, Shell Singapore

"Though the general climate in Singapore was good for business, it was really the EDB that created the specific economic incentives, provided what was needed, like pioneer status (tax relief for five years), investment tax credits, and so on that made us choose Singapore as a place to make these big investments rather than some of the other countries in the region."

—Alan Murray, CEO, Mobile

"EDB management is flexible, efficient, and effective. Sony is very satisfied with their open-style management."

—Norio Ohga, Managing Director, Sony

The EDB has also delivered a unique ability to continue to attract investments and build new areas of strengths and capabilities while not losing existing customers. The quality of leadership that flowed and continues to flow from the EDB to other sectors of Singapore and around the world is legendary.

The EDB alumni [felt that]...their years in the EDB had been so developmental for them. They had learned a point of view toward the world that they carried into other organizations and tried to teach others...

One of the former chairmen, Ngiam Tong Dow, noted that the EDB developed in its people self-confidence and the ability to think. The building of this kind of self-confidence in a cadre of leaders of a society is a consequence of the basic belief in people and suggests that whatever else a developing nation does, it must start with a belief in its people and a program to build their skills and self-confidence. Other developing nations may not be able to reproduce all of the factors that helped Singapore, but a program for building on people as the prime resource is within the power of any government, and if Singapore has anything to teach us, it is that this is the essential starting point. (Schein, Edgar C., *Strategic Pragmatism: The Culture of Singapore's Economic Development Board*; The MIT Press, 1996 Kindle edition, p.245)

These results are not some fortunate accident. Rather, they are the product of a very purposeful collaboration between the public and private sectors to target and create an attractive economic position for Singapore.

What Strategic Pragmatism Is and What It Is Not

Organizational strategic pragmatism is the coexistence of a future vision and present action, where neither unduly constrains the other while they remain in concert. As such, strategic pragmatism does not support a series of one-off tactics with no strategic context; nor does it support a vision, or campaign promise, that no series of strategic actions can possibly achieve. And, importantly, strategic pragmatism is only as achievable as the talent that makes up the organization.

Urgent Economic Need Spurred Insightful Government Action

In 1965, Singapore faced the loss of its fundamental economy (the exit of the British naval bases), the presence of only a few major companies (such as Royal Dutch Shell Company), no large internal market, a lack of natural resources, and no significant base of entrepreneurs. In the face of such urgent economic need, the newly self-ruling government of Singapore realized that it would have to be meaningfully involved in the creation of economic wealth and opportunity for its citizens. At the same time, however, it understood that the constraints of the conventions of government would be at odds with its playing a strategically pragmatic, impactful role itself.

Schein's *Strategic Pragmatism* focuses on the cultural aspects of the EDB. Fundamental to those were the Singaporean government's recognition of the country's economic requirements and what it then did to pave the way for building the new economy:

- Abandoned the typically short-term perspective of governments and crafted a long-range vision with economic development as the explicit goal: "to serve as the business hub for Southeast Asia by becoming the regional leader in information and manufacturing technology" with one-stop service. This vision was consistent with the seaport location of Singapore and the work ethic of its citizens.
- "The companies coming into Singapore were characterized as either 'cowboys' who had a short-run orientation and wanted some quick unskilled labor... or as 'settlers...' who had long-range desire to remain and enter into a symbiotic relationship with Singapore... The EDB was committed to training its own people and therefore clearly preferred the settlers." (Schein, p. 21)
- Understood the ROI of investing in a future and invested wisely in: world-class infrastructure to take advantage of geographic location (seaport), R&D, infrastructure, and education.

"People are, and always will be, our most precious resource...Our schools will not only push for higher levels of academic achievement...they will produce morally upright, diligent, compassionate citizens...[with] good work ethics."(Schein, p.173)

These insightful realizations and actions set the stage for the EDB and its success in building Singapore's economy anew.

What Drove Singapore's Government to Establish the EDB

The EDB was implemented in 1966 with a simple mission: "We create for Singapore sustainable economic growth with vibrant businesses and good job opportunities." That mission has not changed to this day.

Upon setting the mission, the Singaporean government was brutally honest with itself about the inability of a bureaucratic government to carry out its vision. Thus, Singapore established a quasi-governmental entity, the EDB – which they described as an organization that "possesses the status of a government corporation and enjoys greater administrative flexibility than other government agencies." This idea was informed by the Dutch advisor Albert Winsemius, who had started a foundation in the Netherlands to promote foreign investment.

The extent of government's role in economic development grows in concert with the limitations of the private-sector/entrepreneurial presence on the ground. However, governments are never equipped in either capability or

budget to assume the entirety of this responsibility. Development cooperation between government and the private sector can be mutually beneficial to both the citizens and the businesses only when it is a meaningful partnership of mutual investments, as opposed to either one-sided handouts/giveaways to lure industry to the region or government over-intervention in the private sector.

By creating the EDB, a quasi-governmental entity with the status of a government corporation, to be the energizer and implementer of the vision, Singapore's government captured the best of two worlds – public sector and private sector – in a hybrid organization well positioned to attract the attention of and capital investment by industry sectors of interest.

Inter-organizational collaboration was considered vital. The only way Singapore could pull itself out of its economic doldrums in the 1950s was to get everyone in the society to pull together to make it happen... Everyone meant not only the major for-profit sectors of society.

One of the most notable aspects of this way of thinking was the decision to give the trade unions some responsibilities as owners and managers by having them own and operate one of the taxi companies and one of the insurance companies in Singapore. (Schein, p.165)

In a 1994 interview with Schein, one former chairman of the EDB put it this way:

"The EDB must have influence over other government agencies, i.e., be perceived and function as the most senior coordination mechanism for economic development. The chairman (CEO) of the EDB must be a trusted friend, leader, and effective administrator (not necessarily an economist).

"Inter-sector and inter-organizational collaboration can only be achieved by building a network of human relationships characterized by high degrees of mutual acquaintance and trust.

"...All the members of the Singapore government felt collectively responsible for Singapore's future."

The decision to pursue Singapore's economic development through the quasi-governmental EDB enabled:

- Employment opportunities that had impact, at pay scales that could attract the best talent
- Administrative and organizational agility not possible in a government bureaucracy
- The country's ability to be run as an entrepreneurial business, but with a focus on economic development rather than profit
- A core of leaders who understood the economic-political realities of Singapore that needed to be built.

Talent

Lee Kuan Yew, the first prime minister of The Republic of Singapore, was rightly concerned with recruiting and attracting talent. He believed, "The quality of a people determines the outcome of a nation. It is how you select your people, how you train them, how you organize them, and ultimately how you manage them that make the difference." He also believed that "that civil service needed to learn from the private sector how companies attracted and developed their managerial talent." After surveying the approaches of companies already operating

in Singapore, he borrowed the following from the Royal Dutch Shell Company as the desired characteristics of all civil servants in Singapore:

- Helicopter quality (ability to see the larger landscape)
- Analytical ability
- Imagination
- Realism

This combination of characteristics, collectively referred to as HAIR, forms the fundamental mindset of a strategically pragmatic talent base. It is no wonder that the EDB has been called Singapore's first business school. In Schein's interviews, he heard:

"Hon's skill in selecting people and mentoring them ensured that the talent needed for the future would be available. For example, he recruited Chan Chin Bock from the Ford Motor Company in Singapore and developed him into a highly successful manager of EDB's international operations, architect of some of its innovative training programs, and its third chairman. All of the later chairmen except Philip Yeo were originally hired by Hon Sui Sen and were allowed to develop their own philosophies under him.

"Philip Yeo's overall impression was that... the kinds of people that he now needed [were]: 'People who were flexible, who had high levels of initiative, who displayed a lot of autonomy and ability to work on their own in the overseas environment, who had the persistence to chase projects because some of these projects took years to develop, who had traveled a lot and who generally displayed overall brightness irrespective of their particular area in which they had taken their majors.'" (Schein, p. 105)

The EDB not only attracts talent, it also builds it. For example, in the words of one EDB director:

"The general career path for an overseas director is to start out as an industry specialist in one of the operational divisions in Singapore where you learn the workings of an industry in depth...During that six months, you not only have to train your replacement in Singapore, but use whatever little extra time you have to learn about the other industry sectors that will be involved in your overseas assignment... moving from being a specialist to being a generalist...

"To do this job well requires three kinds of knowledge. You have knowledge of the industries involved,... you have to know about the specific companies with which you are dealing, including their strategies and issues. Third, you have to have knowledge of



Singapore's strategy and its situation. The job then is to integrate these three sets of knowledge into a coherent idea or project that will be a success for the company as well as for Singapore." (Schein, p. 11)

Administrative and Organizational Agility

As a government faced with urgent economic needs, Singapore was keenly aware that it could not afford the typically cumbersome and lengthy bureaucratic operations of the public sector. The Singapore government afforded the "ability... to change strategy and laws in response to new economic conditions or other circumstances"; EDB afforded "efficiency and speed in solving problems."

For example:

"In connection with TECH (a four-way venture between TI, EDB, Canon, and HP) Robert England, TI's worldwide product line manager for memories, remembered that when the wafer fabrication facility was being built, it was imperative that they get started very quickly. The MRT (the local transportation authority) was building a station nearby and the pile driving would disturb the fabrication unit because of the vibrations. The EDB talked to the MRT and succeeded in getting the MRT to speed up its construction schedule so that all the pile driving would be finished before the wafer fabrication facility had to become operational. The EDB had the clout to do this because of its track record in helping Singapore become economically successful." (Schein, p. 130)

And, as another example:

In the 1960s, The Hewlett-Packard Company was figuring out if a manufacturing facility somewhere outside the United States would work.

...executives made their first visit and met with I. F. Tang, the chairman of the EDB. Clyde Coombs, head of manufacturing, was immediately impressed with his high energy, his clear sense of Singapore's strategy, and his clarity about the rules and what HP could expect from Singapore. "They seemed to know what they were trying to achieve, and, if one wanted to work with them, one knew from the outset what the legitimate expectations and rules really were. They had clear rules and they kept their promises.

...After they negotiated to acquire the land, but before their own factory was built, they leased the top two floors of a six-story building. To prepare the building for occupancy, they needed working elevators and electricity, which required the installation of a big transformer for the building. The transformer had been ordered and was en route...In the meantime, William Hewlett had decided to visit the Singapore facility and panic spread that the power might not be on by the time of his visit, which meant that the elevator might not work.

Coombs presented the problem to his EDB liaison officer who promptly took it to the Jurong Town Corporation (JTC), an offshoot of the EDB... They immediately understood the problem and got everything in working order, but because the transformer probably was not going to be installed in time for the visit, they had to do something else about the power supply. They decided to string a gigantic cable extension cord from a neighboring building to the building housing HP's offices. So on the day of the visit, the

elevator and the lights actually worked and William Hewlett did not have to walk up six flights and had an impressive tour of the facility. (Schein, p. 20)

Government with an Entrepreneurial/Business Approach

Singapore's vision of being a business hub translated into the country's being perceived as an important information and manufacturing technology player in the value chain of the industries it hoped to attract. By taking a business perspective to running the country (although profit was not the driver here), not only did the Singapore government position itself to best serve the needs of its citizens in a focused way, it also spoke the same language as businesses, making it an attractive and resonant partner.

A.V. Livental, the vice president for Middle East and marine transportation for Mobile, described the EDB to Ed Schein as:

"...very aggressive and very professional in its recruitment of foreign capital. At the beginning they needed the foreign money and what was attractive to the investor was the sense that these people really wanted us, they had a hard-working labor group, a government that was pro-business, and this strong attitude of "we want you." Access to them was always very easy – you could simply pick up the phone to your EDB contact and within twenty-four hours you would always get feedback of some sort. Their efficiency was impressive – they always worked in real time on a business clock, not on bureaucratic time or a government clock. Their power centers were well coordinated so that you got more rapid action in solving problems – they didn't function like a bureaucracy, they were on top of things." (Schein, p. 119)

Winning Characteristics of the Quasi-Governmental EDB

Singapore's EDB success offers crucial lessons, though not all can be transferred to other countries or states. The effective organization is egoless, with very little chauvinism, and will adopt and adapt relevant best practices from anywhere in the world. The EDB did just that itself, and it is its foundational winning characteristic. To assume that all useful thinking has to be original to the organization and the mission in question, or that the East has nothing to offer the West – or vice-versa – is false.

In addition to "being egoless," many of EDB's characteristics would likely benefit any organization regardless of geographic location or mission. Ed Schein's Strategic Pragmatism offers a comprehensive description of the full array of EDB's winning organizational characteristics, which include accountability, 120% commitment, and others that are not emphasized here. Certainly all of the characteristics that make up the EDB's organizational culture combine in an integrative manner to contribute to its success, but several warrant special credit:

- Unquestionable **integrity**
- Trial and error environment with **freedom to learn from mistakes**
- **Total respect for customers** (private-sector investors)
- **Information-sharing to empower the whole** organization, not just individual members

Integrity

The EDB (as well as the Singapore government) was a "one-strike you're out" environment, with zero tolerance for graft or personal-gain behavior. In fact, a reputation of integrity was explicitly a characteristic they were seeking in

their first managing director, important for displaying their intentions to the world. And when Hon Sui Sen was selected, Schein wrote:

"He was seen as a man of absolute integrity who was fair to all of the stakeholders-investors and the Singapore government alike." (Schein, p. 62)

This trait showed through in numerous anecdotes throughout Schein's book. The following DuPont story is very typical.

Edgar Woolard, of DuPont, explained why they felt they could trust the EDB and Singapore with as big a capital investment as they were making:

"What they said, they stuck to. We had a lot of experience in other countries where something would be discussed and agreed upon one day, and then the next day or in a week we would get a call back saying, 'Well, we didn't quite understand,' and/or, 'We can't do that now.' In other countries things would constantly come unglued, whereas in Singapore, once they said something, they stuck to it. Or, if they did have to renegotiate, the logic was always very clear and very plausible."

"Compared to other countries, Singapore was easier to work with because there was no graft, no under-the-table payoffs. DuPont also knew they could trust Singapore because other multi-national companies always said that Singapore lived up to its commitments. Woolard remembered visiting the prime minister on one occasion and being told, "All we have here in Singapore is our integrity, and therefore we cannot compromise it." (Schein, p. 125)

Integrity is not just evident with customers, it is also inherent in how decisions are made and the uber-importance of doing what is right for Singapore. As a CEO from a large multi-national corporation said to Ed Schein:

"One of Singapore's greatest strengths is the cultural assumption that the sectors of society (i.e., government, employers, and labor) can and must work together, backed by the network of trusting relationships that has been built up and nurtured over the decades..."

"For example, when you are invited to participate in activities or attend events, it is taken for granted that you will agree to come. The organization or the cause is always assumed to be more important than your needs, and the thought that you might wish to decline is not even considered. The fact that they might involve you in a conflict of interest is not considered because of their own strong sense of integrity, and it is not considered that one might have an agenda other than serving Singapore." (Schein, p. 220)

Freedom To Learn and Make Mistakes

Key to innovation, powerful ideas, and capability-building in the EDB was and is the freedom to learn from trial and error. No one at EDB lost their job from having made a mistake...but jobs were lost by those who did not learn from their mistakes. As Schein wrote:

"Problems and issues in Singapore and in the EDB were identified by my informants throughout the study, but invariably within the context of an overwhelmingly positive view of how the EDB

operated. This positive view was especially evident among the current members of the EDB in that problems were invariably cast as opportunities to do even better.”

The EDB was built to be a learning organization as part of its responsibility to stay connected with the world. Early on, they went to Israel to learn about entrepreneurial enterprises, they went to Holland to learn about being a distribution center, and they accepted guidance from the U.N., while never forgetting the lessons learned from Singapore’s time as a British naval hub. They went wherever they thought they could learn, and never thought they knew enough. Though the EDB culture has sustained this learning emphasis as a foundation of its culture, to strengthen it even further, the EDB formalized continual learning as a major corporate program in 1994.

Total Respect for Customers

The EDB’s investment partners, its private-sector customers, are king. Schein described EDB as “[willing] to be involved in day-to-day problems, [having] deep knowledge of relevant industries and companies, [willing] to make special concessions when needed, [providing] help in locating suppliers, contractors, [and] construction companies” and so on. EDB is also willing to put its money where its mouth is through its “capital assistance scheme, [allowing] EDB equity participation in selected industries.”

John Sanders, Apple’s vice president of manufacturing, assumed the responsibility for opening a factory in Singapore in March 1981. He related his experience of the EDB going the extra mile to Ed Schein, who wrote:

“Sanders was impressed by how well organized everything was.”

“Sanders said that Singaporeans are delightful to work with. Whereas in most other parts of the world you have absenteeism problems, most Singaporeans wanted to come to work and the infrastructure supported it. Banks were open on Saturdays, and other services were made easier so that people really could put in full work time, resulting in a zero absentee allowance. He felt that Singaporeans put out at least 30 percent to 40 percent more effort than their U.S. counterparts; this observation would be supported by a quote he remembered from Lee Kuan Yew, who told his people to “do what your boss tells you and do it better.”

“He himself used management by objectives and noted that, once objectives were negotiated, he could basically leave people alone and they would accomplish what they had promised, or more. His overall judgment was that Apple would be a totally different company today without Singapore. They were so productive and got costs down so low that the Singapore operation really helped Apple to be successful.” (Schein, p. 138)

Information-Sharing to Empower the Whole, Not Just the Few

“Timely, accurate, and widely dispersed information” was considered from the beginning a prerequisite to effective decision-making at EDB. Information was not to be used “as a personal source of control or power.”

For example, as Schein writes, when Philip Yeo was EDB chairman he:

"...noticed that the EDB had many good people but the organization was very compartmentalized, a phenomenon he attributed not to the people but to the natural aging process of an organization..."

To reduce this compartmentalization and to get access to all of the EDB's activities, Yeo created what he called the "float system." This involved making "float files" that consisted of all the written reports on each project, scanning those files, identifying important issues in the various projects they referred to, and writing comments or questions directly on the files. The reports and the comments were then transmitted to all of the people who might have any relationship to that project, so that they would all be made aware of everything about it, including all of Yeo's comments.

Philip Yeo also put in place a daily reporting system modeled after the computerized weekly reporting system that had been instituted earlier. These reports are required and are assessed not only by the immediate supervisor, but are circulated throughout the office and reviewed once a week at the "operations committee" meeting chaired by Tan Chin Nam. At this meeting each department reviews its major prospects, and information is provided to everyone on all of the activities.

This kind of a system of course depends very much on people telling the truth. Yeo felt that there were so many cross-checks on what the various senior officers were reporting that there was strong pressure for people to be extremely honest and truthful. Some of this cross-checking occurs through the personal network that Yeo has established with various executives in the companies, with whom he has often become personal friends. So if one of the officers writes a report on a given company, Yeo can often check it directly with executives from those companies.

Interestingly enough, even though there is this strong emphasis on information transmission and open communications, Yeo has pointed out that building up a personal network and treating clients as friends and members of the family is much more important to business success than having accurate analyses about those companies or giving them good written analyses of Singapore. (Schein, p. 102)

Strategic Pragmatism: a Dynamic Capability

Through its life, the EDB has had one mission and one core culture, both of which have been sustained through six very different leaders, from authoritarians to scholars to deal-makers.

Shifting with external forces and perceptions of future requirements, the whole of EDB leaders' strategic pragmatism has been phenomenally successful. The proof is in the ongoing strength of the foundational EDB culture and the continual building upon each leader's legacies throughout the EDB's existence.

EDB Chairmen through Time

Chairmen	Years Active	Leadership Style	Major Decisions	Background	Legacy
Hon Sui Sen	1961-1968	<p>Integrity driven</p> <p>“Gentle yet firm”</p> <p>The boss needs to know everything that’s going on</p> <p>Motivating and inspiring loyalty</p>	<p>Creating a culture of mentorship in the EDB – everyone trains their successor before they can move on</p> <p>Refocusing and restructuring the EDB in 1968 to keep it hungry and foolish – not letting it be a bureaucracy</p> <p>Decisions to invest in technical institutions to upgrade the labor force and attract high-tech companies</p>	<p>One of the only Singaporeans to work as a high-level British civil service.</p> <p>Known for his integrity and wisdom</p> <p>Great friends with Dr. Goh, the Finance Minister</p> <p>Went on to work once again in the finance industry until his death.</p>	<p>The current Structure of the EDB</p> <p>The implementation of British civil service traditions to EDB culture</p> <p>Giving Singapore an island mentality, creating the need for it to walk on its own two feet.</p>
I.F. Tang	1968-1972	<p>Shrewd and business focused</p> <p>Inspirational, teaching his excellent conceptual and sales skills by example</p> <p>Connected personally to his subordinates</p>	<p>Focused the organization on being fully informed and prepared for clients – created a culture of knowing everything about industries and potential companies</p> <p>The closing of many deals with large MNCs investing in Singapore</p>	<p>Former UN member on the UN planning mission to Singapore.</p> <p>Worked in the EDB starting 1963 as head of the technical consulting division</p> <p>Returned to the social sector in 1972 and went back to the UN to fulfill some residual obligations.</p>	<p>Creation of the new hierarchical system, eliminating some formality and focusing on getting the job done</p>
Chan Chin Bock	1972-1975	<p>Sharp and perceptive</p> <p>Extremely dedicated, a workaholic</p> <p>Expert salesman and deal-maker</p> <p>A teacher and coach</p>	<p>Building up skilled labor in Singapore through joint training ventures with other nations with strong tech backgrounds.</p> <p>Created a new chain of feedback that forced clear thinking.</p> <p>Emphasized long-term relationships</p> <p>Continued the chain of deal-making with MNCs</p>	<p>Worked at Ford, had a strong American background.</p> <p>Skilled at PR</p> <p>Head of operations for the EDB starting 1966</p> <p>After his appointment as chairman, he returned to New York to broker deals for the EDB with American MNCs</p>	<p>“We started preparing for a 1992 industry in 1972”</p> <p>Brought in the first professional management thinking that was cultivated from outside a government perspective.</p>

Chairmen	Years Active	Leadership Style	Major Decisions	Background	Legacy
Ngiam Tong Dow	1975-1981	<p>Less accessible to the people</p> <p>Authoritative</p> <p>Strategist, a solid thinker, working around hard facts and statistics</p>	<p>Shifted focus from oil and distribution center to a more technical center and from deals to strategy</p> <p>Led the creation of Nanyang Technological University and built the general cross-industry technical curriculum</p> <p>Created the Polychemical complex that allowed Singapore to manufacture plastics and petrochemicals</p> <p>Introduced strategic planning workshops to the EDB</p>	<p>Economist by training, went to Harvard School of Government.</p> <p>Was involved in the ministry of trade and industry prior to becoming chairman</p> <p>Was an original officer of the EDB</p> <p>Remained active in Singapore politics after his appointment, as Secretary of ministry and trade</p>	<p>Creating the notion that the EDB was Singapore's first business school</p> <p>Added to the culture the idea that the EDB can to respond to changing global forces without sacrificing its spirit and culture.</p>
P.Y. Hwang	1982-1985	<p>Analytical, evaluative</p> <p>"The international civil servant"</p> <p>Extremely well informed and scholarly, not "one of the boys"</p> <p>Selling/marketing was not natural to him</p>	<p>The overseeing of many programs coming to fruition, including a number of technical institutes and R&D initiatives</p> <p>Technical focus shifts with needs</p>	<p>British educated with a strong English cultural background</p> <p>Sold chemicals between EDB positions, and built a chemical factory</p> <p>EDB's European ambassador prior to his becoming chairman</p>	<p>Furthering a connection with European MNCs.</p>
Phillip Yeo	1986-2006	<p>Difficult to characterize</p> <p>Extremely fast moving, fast thinking</p> <p>Open communication is paramount</p> <p>Constantly reflecting on the people around him</p> <p>Proactive, dynamic</p> <p>Team focused</p>	<p>Brought in new blood and took out dead wood in the organization</p> <p>Repositioned the EDB's strategy, and brought in Michael Porter, Phillip Kotler, and Ted Levitt to do so</p> <p>Put emphasis on regionalization and the need to deal with Singapore's neighbors on issues such as security and land recourse</p> <p>Selectively invested in industries – e.g., aerospace.</p>	<p>Born in Singapore, educated in Canada and the US</p> <p>Secretary of Defense for Singapore</p> <p>Became an EDB board member in 1982</p> <p>Was co-chairman of the EDB until 2006, and has since started many boards and agencies in Singapore that promote its development</p>	<p>Turned the EDB around by rearranging and getting new personnel</p> <p>Created a team-led EDB alongside Tan Chin Nam</p> <p>Although Yeo brought new ideas, the culture still didn't change at all</p> <p>Further dissolving of the hierarchy</p>

* * *

Strategic Pragmatism offers valuable insights to:

- Government leaders whose geographies face large and urgent economic challenges that cannot be solved organically
- Economists who are curious enough to think outside the numbers when it comes to economic development
- Leaders of any organization who wish to understand the importance of culture.

Ed Schein's profile of the Singaporean government's establishment of the quasi-governmental EDB as an innovative and clear-eyed response to the imperative to develop a new national economy is in itself quite instructive for any struggling locale in the world today. As, or perhaps more, instructive is that *Strategic Pragmatism* presents important lessons for today's public and private leaders in understanding the primacy of creating a winning culture – and inspiring and enabling the people who live it – to developing new or reinvigorated economies.

APPENDIX – Illustrative Investments in Singapore

Trina Solar

In 2011, Trina Solar established its Asia Pacific operating headquarters in Singapore, housing functions including R&D, logistics, sales, purchasing and administration functions to strengthen Trina Solar's growing presence and customer base in the region.

Siemens

In 1974, Siemens Medical Instruments made Singapore its operational base for hearing instruments. Today, it's the global headquarters for various business functions.

Rolls-Royce

Through joint ventures with key local industry partners, including Singapore Airlines Engineering Company, and activities in the energy and marine sectors, Rolls-Royce is expecting considerable growth to its operations in and around the region.

Clariant

Clariant Singapore's principal activities are the manufacturing and trading of masterbatches - an additive used in the manufacture and coloring of plastics, and specialty chemical products for a wide array of segments. Singapore also acts as the regional headquarters for Clariant's operations in Southeast Asia and Pacific regions.

Procter & Gamble

Singapore is the regional headquarters for P&G's operations in Asia-Pacific. It carries out brand and business management activities covering manufacturing, marketing, supply chain management, research and development, finance and other corporate functions, as well as talent development across the region.

Unilever

Unilever established its presence in Singapore over 50 years ago as a trading company for its detergent and edible fats business. This has since expanded to become a strategic global hub for Unilever, housing key members of its senior leadership team.

Dell

Dell currently operates its Asia-Pacific headquarters in Singapore, using the country as a test bed and launch pad for its services and solutions to the region. In 2005, Dell opened its first design center in Singapore to boost the company's R&D capabilities in display and imaging products. In 2011, the Dell Singapore Solution Centre was opened in Singapore.

DHL

DHL began its operations in Singapore four decades ago. Its partnership with Singapore is not confined to financial investments, but also includes expertise, capability, and knowledge transfer, underscoring the company's commitment to moving Singapore up the value chain of the global logistics industry.

IBM

IBM began its almost 60-year history in Singapore with a three-man set up in 1953. Today, the company continues to build local capabilities and leadership while attracting the best of IBM and industry from around the world. The business and social environment of Singapore has helped to attract this diversity of talents.

Infineon Technologies

Infineon has a 42-year manufacturing presence in Singapore, with the country acting as the global final test manufacturing and test innovation site. Singapore also acts as the regional headquarters for Asia-Pacific, excluding Japan, and is the competence hub for (R&D), supply chain, regional sales and marketing, and shared services.

Lucasfilm Limited

Established in 2005, Lucasfilm Singapore currently has just over 500 employees. The studio houses divisions for Industrial Light & Magic (ILM), LucasArts, and Lucasfilm Animation. This unique format provides artists the ability to collaborate under one roof on a variety of disciplines, while also working in partnership with Lucasfilm's US-based teams on international productions.

Merck Sharp & Dohme

Merck Sharp & Dohme established its first sales and marketing office in Singapore in 1993. Over the next decade, MSD expanded into manufacturing in Singapore, investing more than S\$1 billion (US\$0.77 billion) to establish two multi-product manufacturing **facilities** and in 2007, MSD opened its Asia-Pacific headquarters in Singapore.

Mitsui Chemicals

Mitsui Chemicals and Singapore continue to be a winning combination. Since the Japanese chemicals giant first arrived on Singapore's shores over 30 years ago, it has invested over S\$900 million (US\$600 million) to expand its operations in the country.

Renewable Energy Corporation

Seeking a location to enhance its position in the industry, REC chose Singapore out of over 200 sites to install the world's largest fully integrated solar manufacturing facility. Built at a cost of S\$2.5 billion (US\$1.95 billion), the facility is the largest single investment ever made by REC.

Hoffman-LaRoche

Roche inaugurated its first Asia-Pacific biologics manufacturing site in Tuas Biomedical Park, marking Singapore's first foray into high-value biologics manufacturing. With a combined investment of about S\$695 million, the 12.6hEctare [manufacturing site comprises microbial-cell and mammalian-cell facilities which manufacture innovative medicines.

Tata Consultancy Services

In 2001, TCS set up its regional headquarters in Singapore, to tap into the emerging infocomm industry in the region. Today, more than 750 associates work for TCS Singapore, providing various services including IT consultancy, application development and maintenance, and business process outsourcing.

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