THE PUBLIC SERVICE OF MALAYSIA

Some Reflections on Quality Productivity and Discipline

AHMAD SARJI BIN ABDUL HAMID

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The Hon. Tan Sri Dato' Seri Ahmad Sarji bin Abdul Hamid, the Chief Secretary to the Government launching the book "Improvements and Development in the Public Service—1990" on 12 March 1991. On his right is The Hon. Tan Sri Dato' Mahmud bin Taib, the Director General of Public Services, and on his left is Dr. Abdullah bin Abdul Rahman, the Director General of the Malaysian Administrative Modernisation and Management Planning Unit (MAMPU).

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PREFACE

This book is a collection of selected speeches made by Y.Bhg. Tan Sri Dato' Seri Ahmad Sarji bin Abdul Hamid, the Chief Secretary to the Government since he assumed that august office at the pinnacle of the Public Service structure of this country. This collection covers speeches made during the period between 1990 and 1992.

These speeches have been grouped according to subject. They cover Government administrative strategies, policies and programmes for the Public Service which is undergoing a remarkable transformation towards achieving excellence in public administration. Much emphasis has been given to the need for good values and work ethics as a basis for good and clean administration.

As such, this book will provide an easily available guide and reference source for all Government employees in understanding and effectively implementing Government policies and programmes. This book will also serve as a useful guide to those who have dealings with Malaysia, as well as scholars and students undertaking studies about Malaysia. It also provides interesting reading to those who have general interest in Malaysia and the Malaysian Public Service.

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INTRODUCTION

The key role of the Civil Service is to provide quality services to the people through:

(i) an impartial, clean and efficient administration;

(ii) simplified rules, regulations and procedures;

(iii) courteous and friendly counter services; and

(iv) the Malaysia Incorporated policy, for greater cooperation and understanding between the Civil Service and the private sector.

2. In the pursuit of these objectives, the Civil Service must strive towards improvements and review ways of doing things. In other words, we should not continue our way of doing things, keep rules, procedures and work processes if they are dilatory, and do not lend towards quality, productivity and efficiency.

3. Currently, the Government issues 3 types of circulars, namely Service Circulars by the Public Services Department to convey Government decisions with regard to terms and conditions of service, salaries etc; Treasury Circulars by the Ministry of Finance to convey decisions on financial matters, allowances, and General Circulars to convey Government decisions on administrative improvements, economic planning and other general administrative matters. With effect from this year, the Prime

Minister's Department will issue another circular called the Development Administration Circular to convey Government decisions with regard to instructions, guidelines and suggestions to improve the administrative machinery. On this occasion, I am pleased to announce the issue of five (5) circulars relating to administrative improvements.

4. *Development Administration Circular No. 1 of 1991* provides guidelines relating to the provision of services via the telephone. Although the task of operating a telephone and a switchboard is essentially mechanical, however, in terms of providing a service, the telephonist is the link between the Government department and the outside world. Even though we do not see the person behind the telephone, the telephonist is the mirror image and therefore the very personification of that Government department. The telephonist should therefore posess qualities that can enhance the image of the department: knowledgeable in the functions and operations of the department; competent in receiving and transfering calls to the relevant officers in an accurate and expeditious manner; and courteous in answering calls. These qualities are particularly important in departments that interact with the private sector, as there is a need to facilitate quick and easy communications.

5. *Development Administration Circular No. 2 of 1991* covers the area of management of meetings and functioning of Governmental committees. Committees form an integral part of the civil service, and they play a very important role in facilitating the functions of the Government. Meetings and discussions are the principal means through which these committees function. Therefore, effective management of committees and meetings is important: *time must be well managed;* the proper use of time through effective and efficient conduct of meetings must become the culture in the Civil Service. This circular provides the guidelines and the necessary ingredients for an effective meeting. Minutes of meetings must be

prepared and circulated to members within 7 days of the meeting. This means that the draft minutes must be on the table of the chairman for approval 3 days after the meeting. The format of the minutes must clearly indicate the necessity for follow-up and follow-through action where required, and by whom. Feedback on the implementation of committee decisions will be done through the use of a more comprehensive and informative format.

6. *Development Administration Circular No. 3 of 1991* provides recognition for innovation in the Civil Service. Recognition for innovation in the civil service is a crucial factor for promoting administrative change. Innovation in the Civil Service can take place as a result of systematic studies undertaken by MAMPU or other central agencies and line departments. Innovation means the introduction of a new idea or ideas and the application of such ideas into the administrative system which will contribute towards productivity and quality improvements. In the past, recognition has been given for excellence in service in the form of certificates, awards and plaques as outlined in the General Circular Letter No. 2 of 1983.

7. There is no limit to the ingenuity of the human mind. It is important for the Civil Service to foster a culture that engenders innovativeness. The reward system for innovations in the Civil Service is as follows:

(i) the innovation award will be given to either an organisation or a division within the organisation, or an individual;

(ii) If the recipient of the award is an organisation, division or unit of the organisation, a cash prize of $5,000 will be awarded;

(iii) If the recipient is an individual officer, a cash prize of $1,000 will be awarded;

(iv) The cash prizes will be given together with a plaque with the following inscription, "The Public Service Innovation Award For The Year. . . . ."; and

(v) Information on the innovation will be published in the official civil service magazine "KHIDMAT".

8. Four evaluative criteria will be used in identifying the winners, if the innovation leads to the following:

Reduction in operational cost; time saving, increase in output; and increase in customer satisfaction. The Panel on Administrative Improvements to the Public Service, which I chair, will oversee the implementation of this programme.

9. Development Administration Circular No. 4 of 1991 provides Guidelines on the Strategies for Quality Improvement in the Public Service. Quality service will only exist when the service provided meets the needs of the people who expect promptness, reliability, accuracy and fairness. Quality is a moving target, a race without a destination. This circular outlines seven programmes which will be implemented by all Government departments. These programmes are:

(a) The Q Suggestion System

Under this system, the department will provide the mechanism for all officers and staff to provide suggestions to improve the quality of service. It also allows Heads of Departments to submit suggestions for improvements directly to me as Chief Secretary to the Government.

(b) The Q Process System

Under this system, each department will be required to identify the steps involved in providing a service or producing a product. These steps will be displayed in the form of flow charts at strategic places to assist the staff in performing their work efficiently.

(c) The Q Inspection System

This system requires each department to carry out inspection at critical stages of the work process to ensure that standards are complied with.

(d) Q Slogan

Each department is also required to have slogans such as "Do It Right The First Time", "The Customer Comes First" and "Avoid Wastage". These slogans provide the work values of the department. Internalisation of these values and their application will ensure quality service.

(e) Quality Day

Each department is also required to have a Quality Day once a year. On this day, the departments will commemorate their successes and establish new quality standards for the future.

(f) Q Feedback System

Under this system, each department will develop mechanisms to monitor customer satisfaction with regard to the quality of the service provided. This information will then be used as an input to improve further the quality of service of the department.

(g) *Quality Information System*

Under this system, each department will issue brochures and pamphlets to explain the services provided.

10. *Treasury Circular No. 2 of 1991* provides for the usage of new forms for the management of capital assets, inventory and office supplies. Each year the Government spends millions of Ringgit on the acquisition and maintenance of assets. Presently, a total of 1.05 billion Ringgit worth of assets are being kept in 838 Governments stores.

11. This Circular introduces 4 new Registers, namely:

(i) *The Capital Asset Register* which will be based on a card system. It will contain records of assets such as machinery, plant, vehicles, equipment and other non-consumable items costing $500 or more;

(ii) *The Inventory Register* which will also be in the form of a card system. It will contain records of non-consumable items costing less than $500 and which are not recorded in the Capital Asset Register;

(iii) *The Office Supplies Register* which will contain records of all consumable items and other office stationery; and

(iv) *The Movement of Capital Assets and Inventory Register* which will be used to record the movement of office assets and inventory issued to officers on loan.

With the introduction of the four new Registers, information on price, maintenance cost, location and accountability over the management and control of Government assets should be readily available.

12. In order to ensure the successful implementation of these Circulars, a comprehensive training programme has been formulated, to enable civil servants at all levels to obtain a better understanding of these administrative improvements and to adhere to these guidelines at the most efficient level.

13. To be effective civil servants, we must redouble our efforts not only in the quality of our services, but also in the quality of our thinking, in the quality of our decision-making and in the quality of everything that we do?

14. The journey towards quality is an unending one. The civil service is commited to institutionalising a quality culture. I hope Secretaries-General of Ministries and all Heads of Departments will take immediate steps to operationalise these Circulars. Secretaries-General of Ministries and Heads of Departments must make things happen on the ground.

SPEECH DELIVERED AT THE LAUNCHING OF SEVEN DEVELOPMENT ADMINISTRATION CIRCULARS AT THE NATIONAL OPERATIONS ROOM, PRIME MINISTER'S DEPARTMENT —29 JULY 1991

The Government is continuing its efforts to further improve the performance of the Civil Service. On 29th April 1991, I launched four Development Administration Circulars incorporating aspects relating to the proper management of committee meetings, upgrading the quality of telephone service, outlining strategies to improve quality in Government departments and the conferring of appropriate awards for innovation in the Civil Service. I am launching today an additional seven Development Administration Circulars, to further improve performance in the Civil Service.

The Integrated Scheduling System

2. With the launching of the Sixth Malaysia Plan, there arises the need for a uniform approach in the planning and the implementation of development projects. Through this approach, an implementation schedule is prepared, and each activity in project implementation is identified. This scheduling system will facilitate project managers at all levels to monitor and supervise progress in project implementation more effectively and to identify quickly the causes of delay. The use of the Integrated Scheduling System (SIAP) will help to ensure that development projects are implemented more efficiently and completed according to the schedule. This system is fully explained in Development Administration Circular No. 5 of 1991 entitled 'Guide on the Integrated Scheduling System.'

Quality Control Circles

3. Heads of Departments need to rationally plan for optimal performance of their departments and turn attention inwards towards greater operational efficiency. Teamwork, control, strategy and analysis are all attributes which are required. Heads of Departments need to focus their attention much more on quality of products and services. Quality Control Circles can be the means to achieve this objective. Development Administration Circular No. 7 of 1991 entitled 'Guide on Quality Control Circles' explains the requisite conditions in establishing and institutionalising the Quality Control Circles in Ministries and Departments. This circular should be implemented together with Development Administration Circular No. 4 of 1991 entitled "Guide on Strategies to Improve Quality in the Public Sector" issued on 29th April.

Improving The Quality of Counter Services

4. Counter Services are important front line services. In order to fulfill the rising expectations of the general public, the quality of counter services must be raised. Government departments can raise the quality of their counter services through such measures as providing guidebooks, setting up signboards and directions at strategic places to facilitate the customer; having enquiry and information counters; the provision of comfortable waiting areas; the establishment of efficient queueing systems; as well as providing guidelines for counter staff on courteous behaviour and appropriate ways of dealing with customers. A more detailed explanation on raising the quality of counter services is found in Development Administration Circular No. 10 of 1991 entitled 'Guide on Improving the Quality of Counter Services.'

Manual of Work Procedure and Desk File

5. The duties and responsibilities of a Government department will be performed more efficiently if the department concerned has guidebooks to be referred to by officers and staff. The Manual of Work Procedure documents the systems and procedures of the department in detail. The Manual can be used to assist new employees in understanding the functions and responsibilities undertaken by the department concerned. The Desk File contains a list of the duties of a staff member, the measures, the actions, the checklist and list of rules and regulations which are pertinent to the execution of his duties. Desk Files also contain directives as to whom the staff member should refer to and contact, in the course of his work. Desk Files are to be prepared for each position in the department. Development Administration Circular No. 8 of 1991 entitled 'Guide on Manual of Work Procedure and Desk File' provides a detailed explanation in the preparation of the Manual of Work Procedure and Desk Files.

The Procedure for Using the Work Action Form

6. It is essential for Heads of Departments to supervise the work undertaken by an officer on a particular subject. For this purpose, a Work Action Form is introduced to guide the officers involved to undertake each activity within the time frame given as well as to execute the necessary follow-up action. The Work Action Form stipulates the number of work processes for each activity in relation to a case file; it also identifies the officer responsible; the date when the file or directive is received; the date the task is completed; the next set of tasks; and the follow-up action. The procedure in the use of the Work Action Form is explained fully in Development Administration Circular No. 11 of 1991 entitled 'Guide on the Procedure For Using the Work Action Programme'.

Productivity Improvements in The Civil Service

7. Productivity measurement is vital in assessing and understanding what officers and the staff do, how job performance varies from officer to officer, and how it changes over time. Government departments must increase their productivity. The definition of productivity, the ingredients or materials required to produce an output of work, the factors which influence productivity, and the ways to measure productivity are explained in Development Administration Circular No. 6 of 1991 entitled 'Guide On Productivity Improvements in the Civil Service'.

The Implementation of The Malaysia Incorporated Policy

8. A more detailed *modus operandi* of the Malaysia Incorporated Policy is now considered essential. Consultative Panels comprising members from both the public and private sectors should be established in each Ministry/ Department/Office at the federal, state and district levels. The Panels should focus discussions on the streamlining of rules, regulations and procedures which will facilitate the private sector. Ministries and Departments should also hold annual dialogue sessions with the private sector to discuss policies and programmes which involve the private sector. Government officers are allowed to take part in seminars, workshops and open forums which are sponsored by Chambers of Commerce and Industry, Business Councils, Industry Associations, etc when the topics of discussion relate to or are relevant to the functions of the respective Ministry/Department/Office. Ministries/Departments/ Offices may hold sports events with Private sector bodies such as Chambers of Commerce and Industry, Business Councils, Industry Associations, etc. Sporting competitions between Ministries/ Departments/Offices and individual Companies are not encouraged. Ministries/Departments/Offices may receive recognition from the private sector for their performance in terms of quality, productivity and efficiency. Ministries/Departments/Offices are allowed to receive tokens of appreciation or recognition from Chambers of Commerce and Industry,

Business Councils, Federations of Industry, Industry Associations, etc, but not from individual Companies. The awards should be in the form of souvenirs, trophies, etc and not in the form of cash. Permission to receive such awards should be obtained from the Panel For Administrative Improvement In The Civil Service, in the Prime Minister's Department. Development Administration Circular No. 9 of 1991 entitled 'Guide on the Implementation of The Malaysia Incorporated Policy' contains a fuller explanation on the implementation of the policy.

Roles of Top Management

9. The culture of an organization refers to the sum of the shared attitudes, beliefs, myths and behaviours as held and displayed by staff and management. Many departments may say "We have always done it this way." This attitude may limit the department's progress. The push for quality improvement must be driven from the top. If Heads of Departments especially, are not seen to be making changes in their own actions and behaviour in line with the requirements of these Development Administration Circulars, it is likely that the initiative will be slow to succeed. I have no doubt that by establishing quality, productivity and efficiency down the line we rid ourselves of years of accumulated bureaucracy and establish efficient, effective and durable procedures. Then, a culture of excellence will emerge.

The Establishment of An Inspectorate Unit

10. The Government has decided to establish an Inspectorate Unit in the Malaysian Administrative Modernisation and Management Planning Unit (MAMPU), Prime Minister's Department to provide assistance to Ministries and Departments in implementing these circulars. Training programmes will be organised by INTAN to ensure that Heads of Departments and facilitators will fully comprehend the administrative improvements that are being introduced through these circulars.

11. All the Development Administration Circulars that have been launched thus far have been compiled into a single-volume. This Manager's Guide Book will serve as resource material for training of public sector personnel.

SPEECH DELIVERED AT THE LUNCHEON IN CONJUCTION WITH THE CONFERENCE ON PROFESSIONALISM IN CORPORATE SECRETARIATS AT THE SHANGRI-LA HOTEL, KUALA LUMPUR—25 SEPTEMBER 1990

The Government's desire is to make Malaysia a developed nation which is respected throughout the world. To achieve this goal, the Government has formulated various policies such as the Industrial Masterplan, Malaysia Incorporated Policy and Privatisation Policy to move the national economy towards facing the challenges of the decade of the nineties. The Government encourages a dynamic private sector which can function as the engine of growth in the national economy.

2. As Corporate Administrators and Company Secretaries, Chief Executive Officers, Directors, Company Secretaries, Accountants, Lawyers, General Managers, Financial Controllers, you occupy a unique position in your respective organisations. In discharging your duties your role is vital in determining the performance of your company. The services you provide, covering a whole range of legal, financial, personnel and other functions, are indeed pervasive in nature. Whilst your responsibility is onerous, to say the least, it is also rewarding in that you have the unique opportunity to galvanize your organization to achieve its peak performance. Your position enables you to operate at all levels of the organization - from the Board of Directors to the shopfloor. As such, you can influence not only operational policies but also the company's competitive strategies as well as its organisational culture.

Quality and Professionalism

3. It is in this context that I would like to share my views on two fundamental aspects of professionalism - that is, Quality and Ethics. The

commonly accepted definition of Quality is conformance to customer requirements. This means that all products and services are deemed to be of the requisite quality if they meet the requirements of the customer. Quality output is, therefore, a logical outcome of meeting the needs of the customer and thus ensuring customer satisfaction. Of course, meeting customer needs presumes two things. Firstly, the organisation is truly able to gauge the real needs of the customer and therefore is able to respond to it appropriately. Secondly, the organisation, taking into cognisance the needs of the customer, is able to set the right standards to produce the quality products and services. Standards have to be, and must be, set for each and every process involved in producing the final output of the organisation - be it products or services. It is in this context of setting standards that the crucial aspects of professionalism come to bear. Professionalism necessarily means that a high standard of objectivity is maintained all the time. You, as key people in your respective organisations, bear this heavy responsibility in ensuring that professional standards are not only maintained at all times but also in determining the requisite standards in producing the output of the organisation.

4. In this connection, I would like to remind you that the concept of customers includes not just the organisation's external customers but also the internal ones. The stakeholders of the organisation and other divisions within the organisation constitute your internal customers. In your position as corporate administrators you have to deal with a whole host of internal customers - the Board of Directors, the CEO, the Divisional Managers and others. The quality of service you provide to them will directly or indirectly determine the quality of their respective output. Thus, the importance of maintaining your professional standards in providing the said services is self-evident. It is not only important to maintain standards, it is equally

important to continually strive to improve on the standards of the service, and thereby, the quality of your output. In the final analysis, the standard of professionalism you bring to bear on your services will determine the quality of the products or services of your respective organisation.

Integrity

5. There are a number of very practical reasons why integrity is so important for professionals like you. For one thing, many decisions are made or have to be put in your hands. If your company is going to weigh a person down with ever increasing responsibilities, your company will have to be able to count on him, and that presupposes your trust and belief in him. Honesty is one of the most important facets of personal integrity, because your company wants to be able to count on you when you research a problem or an issue and then present it to the Board of Directors for their evaluation and decision.

6. I would now like to dwell on a character flaw which is quite common which we call **intellectual dishonesty**. Both basic honesty and intellectual honesty are among qualities which we include under the general heading **integrity**. But they differ from one another in that simple honesty involves being truthful and honest with others, while intellectual honesty involves being honest with yourself. Good judgement, which is the key quality in performing well as a good professional, is rooted in the ability to be completely objective in making important decisions. And objectivity arises directly from the capacity to assume an intellectually honest perspective on things, to step back and view a plan or a project already in motion with cool detachment. But if a person's desire for a good result obscures the facts that he knows to be true, he becomes incapable of being objective in exercising good judgement.

SPEECH DELIVERED AT THE FUNCTION TO ANNOUNCE WINNERS OF PRIME MINISTER'S QUALITY AWARD AT PUTRA WORLD TRADE CENTRE, KUALA LUMPUR— 9 NOVEMBER , 1990

As Chairman of the Panel of Judges, it is indeed an honour for me to be accorded this priviledge of announcing the winner of the Prime Minister's Quality Award for the year 1990. This award is the highest form of recognition accorded to an agency and the winner of this award would be an organisation that has excelled in the management and improvement of quality. This award symbolises the commitment and full support of the Government towards establishing an excellent work culture.

CRITERIA FOR NOMINATION

2. First, permit me to briefly explain the criteria for nomination of agencies for this award. The criteria are as follows:

(i) Proven track record of excellent performance;

(ii) Demonstrated a high level of social responsibility in completing projects on schedule and not exceeding expenditure as planned; and

(iii) Have established and maintained a good reputation in the eyes of the public.

NOMINATIONS FOR THE QUALITY AWARD

3. Based on the above criteria, 14 Agencies have been nominated by the Panel on Administrative Improvements to the Public Service to be considered for this Award. The 14 Agencies are as follows:

(a) Employees Provident Fund (EPF);

(b) Malaysian Agricultural Research and Development Institute (MARDI);

(c) Malaysian Industrial Development Authority (MIDA);

(d) General Hospital, Kuala Lumpur;

(e) National Savings Bank;

(f) Johor State Economic Development Corporation;

(g) National Museum;

(h) Rubber Research Institute of Malaysia;

(i) City Hall, Kuala Lumpur;

(j) Muslim Pilgrims Management Fund Board;

(k) Kuantan Municipal Council;

(l) Inland Revenue Department, Malaysia;

(m) Tourist Development Corporation, Malaysia; and

(n) National Registration Department, Malaysia

CRITERIA FOR EVALUATION

4. All the above agencies were evaluated against seven criteria which are indicators of quality management and improvement. The criteria are as follows:

(i) The role taken by the leadership in improving the performance of the organisation;

(ii) Information gathering and analysis—focusing on how data and information has been gathered and utilised in decision making;

(iii) Strategic Planning—to what degree the organisation's planning process has taken cognisance of changes in the environment and subsequently formulated suitable strategies, programmes, projects and activities to achieve the objectives;

(iv) Utilisation of Human Resources—to take into consideration various aspects of Human Resource Management—namely; is there a training programme for staff to enable them to make contributions to the organisation?; Does a system exist to recognise excellent service?

(v) Ensuring quality service—the utilisation of checklists, work flow charts, work procedure manuals, standards and work norms.

(vi) Outcome and impact of quality improvement—the extent of good management practices, namely, reduction in operating costs and increasing customer satisfaction and profits.

(vii) Customer satisfaction—the means by which customer needs are identified and the steps taken to meet these needs.

THE WINNER OF THE AWARD

5. It gives me great pleasure to note that the winner of the Award this year is an organisation involved in economic development. It is involved in a wide spectrum of activities, namely, property development, agriculture, tourism and industrialisation. This agency has been successful in placing itself on par with other corporate giants in the country. This is the outcome of a management that emphasises quality. This agency has developed a good reputation in the international corporate arena. Its success can be measured by the encouraging profit level achieved since its inception.

LEADERSHIP

6. The secret of this agency's excellence lies in its leadership's commitment to quality management. Its leadership has constantly pursued quality improvement by upholding quality values as part of its corporate culture. The leadership holds on to the philosophy that each and every individual in the organisation forms the core of the organisation's strength. As such, its clear organisational structure has enabled every individual to contribute meaningfully through various committees set up in the organisation.

STRATEGIC PLANNING

7. To maintain excellence, this agency has placed great emphasis on strategic planning. It has a 5 year corporate strategic planning cycle which has enabled the agency to take advantage of numerous opportunities, thus maintaining its competitive edge.

WORK ETHICS

8. With the realisation that human resources are its most valuable asset in managing an organisation, this agency has formulated a comprehensive 5 year training programme for its staff. This training programme is being complemented by the establishment of a corporate Work Ethics. Positive values such as sincerity, trust, discipline, dedication and loyalty to the organisation form the core of its Work Ethics.

9. As Chairman of the Panel of Judges, it gives me much pride and great pleasure to announce that the winner of the Prime Minister's Quality Award for the Public Sector is the **Johor State Economic Development Corporation.**

SPEECH DELIVERED AT OPENING OF COURSE ON MANAGEMENT OF MEETINGS AT INTAN BUKIT KIARA, KUALA LUMPUR— 26 FEBRUARY 1991

I have personally observed various weaknesses in the Public Administration system. This course is being organised because of my desire to improve and streamline the quality of the system, in general, and the management of meetings, in particular.

Improvements in the Civil Service

2. As a general consensus, a Civil Service which gives priority to quality and excellence should always strive for continous improvements. Improvements in public administration is not easily achieved. There exists a multitude of problems and obstacles which hamper efforts toward creating a quality and excellent public service. To overcome these problems, efforts at improvements must be planned and implemented in an orderly and disciplined manner. Improvements represent a programme of change to be undertaken incrementally using a problem solving approach. Programme and project improvements need to be implemented with discipline and commitment. This requires unyielding efforts based on the principles of follow up and follow through.

Reasons for the Ineffectiveness of Meetings

3. We hold frequent and numerous meetings. The primary issue that has emerged is "How effective are committees and meetings?" I personally find that many committees and meetings are ineffective. Among the reasons for this are:

(i) Meetings are seldom held. In the event that they are held, many of the issues of earlier meetings are either outdated and have been

overtaken by events, or the parties involved have forgotten about them by the time of the current meeting;

(ii) Late distribution of minutes; as an example, minutes of an earlier meeting are distributed 2 or 3 days before the next meeting when the previous meeting was held 3 months earlier;

(iii) No definite agenda, resulting in a long drawn meeting;

(iv) Meetings are sometimes attended by those who are, either, not knowledgeable on the subject or are too junior to contribute meaningfully. Thus, quality decisions are not made;

(v) Lack of systematic preparations for meetings due to poor planning. Thus meetings are not conducted smoothly and proper decisions are not arrived at;

(vi) Poor commitment and dedication to meetings often affect the smooth running of meetings and resulting in vague and unclear decisions;

(vii) Failure to follow up and follow through on decicions of meetings. It is common that after meetings, no actions are taken. As such, there is neither feedback nor actions taken and follow up meetings are often not held.

4. It is obvious that there are many other reasons and related problems which lead to ineffective meetings. Various parties will be blamed but more often than not we blame others and not ourselves. I am of the opinion that the Secretariat has to take a major share of the blame. That is the reason why we are having this course.

Course Objectives

5. The objectives of this course, amongst others, are;

   (i) to upgrade the skills and knowledge of participants in planning and managing meetings effectively.

   (ii) to upgrade the skills and knowledge of participants in the various methods of recording minutes effectively.

   (iii) to upgrade the skills of participants in various methods of monitoring and obtaining feedback on the decisions of meetings.

It is my sincere hope that the above objectives would be met by the end of this course.

The Need For Meetings

6. As we all are aware, meetings are very much a part of management. A meeting is, as the name suggests, a meeting of men's minds to resolve certain things. It is a decision making process. In Government, the solution of an issue requires interdepartmental input. Therefore, meetings have become a feature of management. It is precisely because of this that we have to optimise our meetings in order to have effective Government administration.

7. We need to optimise meetings as they involve money, time and energy. The cost of a meeting can be prohibitive if a meeting is not conducted with the 3'E's in mind, namely, effectiveness, efficiency and economy. Obviously we need to ask the question, "Is the meeting necessary? Can we not resolve the issue without calling for a meeting, say, through a memo or other form of directives?" In the event that the meeting is still deemed necessary, steps commensurate with the importance of the meeting need to be taken.

Planning for a Meeting

8. Firstly, a meeting must be planned for. By planning, we can clarify the following issues:

(i) Objectives of the meeting;

(ii) Agenda of the meeting in line with its objectives;

(iii) Issues to be discussed;

(iv) Decisions to be made;

(v) Structure of the meeting;

(vi) Time for commencement and conclusion of the meeting and the utilisation of the time itself.

9. A well planned meeting is one that members look forward to. Often we find that past experiences dictate future actions. Therefore, rather than risk attending boring and unproductive meetings, bosses have a tendency to send junior officers to the meetings. This further erodes the quality of the outcome of the meetings.

10. To avoid this, the Chairman and the Secretary should liase closely to discuss and plan out the details of the meeting.

Effective Meetings

11. During meetings, the Secretariat must:

(i) Understand clearly the item being discussed. Failing which, the Secretariat would not be able to follow the discussion and this will affect the quality of the minutes recorded. The Secretariat should

have a broad and macro view of the agenda being discussed and must be clear as to the context of the discussion. This can only be achieved if the members of the Secretariat are well read and keep abreast of current developments. You must be able to read about and around the subject of the agenda.

(ii) Master the skills of language and writing. A good command of Bahasa Malaysia and the English language will help us to interpret and record the proceedings of the meetings. You will be able to follow the discussions in the meeting and link up the issues discussed. You must have the skill to paraphrase and qualify meanings, as well as draw out special knowledge and experience in order to optimise the meeting itself. Some people are so mesmerised by the way people talk that they forget to take down notes. Mastery of the language is, therefore, very important.

(iii) Maintain confidentiality and trustworthiness. As meetings often discuss issues that are classified as secret, we must be aware of the need for confidentiality to avoid any leakage.

12. During meetings, there is a tendency to drift towards collective incompetence. An English author and statesman, T.B.MacCauly said, "Groups of individuals are far more likely to err than individuals. Groups give reign to instincts which individuals acting alone are forced to keep in check."

13. A German writer and theorist Friedrich Schiller put it this way, "Anyone taken as an individual is tolerably sensible and reasonable, but as a member of a crowd he at once becomes a blockhead."

14. Apparently smart people just seem to leave part of their judgement at the door when they go to a meeting. This phenomenon of "Collective Incompetence" relates to a situation where very wise individuals can still constitute very foolish groups. It is important to understand this tendency and its causes in order to develop effective meeting strategies.

15. It is the responsibility of the Chairman to ensure that the objectives of the meeting are met, the necessary decisions are made and the time schedule adhered to.

Follow Up Actions

16. We must realise that no meeting is an end in itself. It is always intended for greater purpose. Therefore, it is not really over when the meeting is over. Here lies the importance of follow up and follow through. The norms as set by MAMPU require that the draft of the minutes of meeting must be approved by the Chairman within 3 days of the meeting and its distribution be made within 7 days. Thus, within 10 days of the meeting, all matters pertaining to the minutes should be resolved.

17. One of the weaknesses which I had identified requiring our particular attention is the issue of follow through. Very often, no actions are taken after the meeting nor following the distribution of minutes. Similarly, no feedback is obtained on the decisions of the meeting. All parties involved in the meeting are too busy with other matters. A good Secretariat should be sensitive to this. To overcome this, it is important for the Secretariat to monitor the actions that have to be taken as decided in the meeting. Failure to do so will hinder the effectiveness of the next meeting.

Ineffective Meetings

18. We sometimes over-focus on the mechanical aspects of meetings and overlook the people part or the habit part of it. I have noticed the following bad habits during meetings:

(i) Not being dressed properly for meetings;

(ii) Being late for meetings;

(iii) Leaving meetings without excusing oneself;

(iv) Interrupting the Chairman while he is still talking;

(v) Talking out of turn;

(vi) Too much socialising in meetings; and

(vii) Talking while the meeting is in progress.

Culture of Managing Meetings

19. For a meeting to be conducted effectively a culture of managing meetings effectively must be developed. We need to:

(i) Dress for the occasion;

(ii) Remember our manners and etiquette;

(iii) Contribute to the meeting and not indulge in matters that distract the meeting; and

(iv) Not be petty during meetings.

We have inherited a legacy rich in courtesy and respect. Only if we maintain this heritage will we then move forward and develop a culture of excellence.

SPEECH DELIVERED AT THE OPENING CEREMONY OF THE COURSE FOR IMMIGRATION OFFICERS AT UNIVERSITY KEBANGSAAN, BANGI, SELANGOR—3 MAY, 1991

I believe an introductory course like this for the newly appointed Immigration Officers would greatly assist in producing high calibre officers. This course is important not only to introduce the officers to the role and objective of the department, but also to inculcate appropriate values.

ROLE AND RESPONSIBILITY OF IMMIGRATION OFFICERS

2. Basically Immigration Officers undertake an important task in the preparation of travel documents for the public. For this objective, Immigration Officers have been empowered with specific powers to issue travel documents for the convenience of the citizens.

3. At the same time, they have the duty to supervise and safeguard the various entry points to the country. As frontline officers, they are the first persons whom tourists, investors or foreign visitors come into contact with when they enter the country. They are the last when they leave the country. Thus their role as Immigration Officers is very important. As such the Immigration Officers should provide a service which is efficient, effective, honest and of quality.

INTEGRITY

4. I like to take this opportunity to raise an important matter which needs to be given attention to by all officers who possess powers, for example, Immigration Officers. This is with regard to integrity.

5. Ladies and gentlemen, you may have been trained in various management skills relevant to your duties. However, if in carrying out your duties, you do not possess integrity, then you have not really emerged as a good officer in whom the nation's hopes can be placed even though you may be an efficient officer.

CHARACTERISTICS OF INTEGRITY

6. Integrity in the Civil Service is always connected to the values of trust, honesty, loyalty, trustworthiness and always having the interest of the department and the general public at heart. All work that is done must be undertaken with honesty, sincerety and not with self interest. This means that if an officer has been given powers whether extensive or limited, he must exercise those powers fairly and justly according to the regulations and the process of law.

CRITERIA FOR DECISION MAKING

7. As an Immigration Officer there are many decisions which must be made speedily or on the spot. These decisions can be made speedily if there are clear written criteria which will also help to reduce the possibility of using discretion in making decisions. This will also prevent any possible deviation, corruption or abuse of power in carrying out the job.

8. I feel that the criteria will further facilitate the work of officers and the clients who receive the service will understand the various rules and regulations. In other words, the laws or the rules have to be transparent. This means, the public will be able to understand the laws and regulations which are in existence and be aware of the requirements and meaning of the various regulations. In this way, a decision made by the department or an officer can be viewed as fair because it was made according to the laws, regulations and established criteria.

VALUES, ETHICS AND MORAL

9. Another matter which I should raise here concerns ethical values which are also referred to as moral principles. The word moral itself portrays characteristics concerning behaviour which is good or otherwise. As a frontline Government officer, you should display proper conduct and have good manners. In eastern civilisations in general and among the Malays, in particular a high value is placed on good manners. As the old saying goes "Language portrays the Race" and here language also refers to body language where our actions and facial expressions are equally important in potraying our values and culture. Thus, Immigration Officers should show respect to those who require their services. This can be done through many ways. For example, by using polite language with a smile to create an atmosphere of friendliness in carrying out our daily duty. I feel it is not too difficult to achieve this.

10. On the other hand, if the frontline officers do not display this positive attitude then the good name of the country could be marred. As a result, the whole population would be considered as of similar nature. Therefore, I consider ethical values, integrity and trust as being the most important values in the Civil Service. Civil servants are considered to be the custodians of the moral values and the good behaviour of the people.

11. Civil servants are therefore urged to strengthen their faith and belief in God in order to overcome the challenges and trials of their daily work. Do not allow at all yourself to contravene the accepted moral values because it is extremely difficult thereafter to be rid of such habits. Like the old saying "Do not let a year's fine weather be marred by a day of rain".

QUALITY SERVICE

12. The Immigration Department is a department which directly deals with the public. Thus, it is important that it always enhances the quality of its service to the people to ensure an excellent service. The image of the Immigration Department will be gauged by the level of satisfaction derived by the people who deal with it. In order to provide such a service, the management of the Immigration Department must meet the needs of the clients in every service that they give. To my mind, among the features which need to be given consideration are:

COURTEOUS COUNTER SERVICE

13. The first feature is courteous service to the public. For example, an Immigration Officer who is at the counter is said to have given quality service when he serves each client politly and courteously. Curteous service includes the following:

(i) Being soft spoken;

(ii) Refrain from using words that indicate signs of boredom or tiredness";

(iii) Not make a client wait unnecessarily;

(iv) Apologising if there is a long delay;

(v) Being prepared to help without being asked.

14. As an agency which provides counter service it is important for the officers and staff of the Immigration Department to inculcate and practise these values so that a quality service is continuously ensured.

FULFILLING PROMISES

15. The second feature of a quality department is that it always fulfills its promises and keeps its appointments with the clients. For example, if the Immigration Department has indicated to the applicants that it will issue the passports after a period of 14 days, then, the department must really fulfill its promise. When the Immigration Department does so, than its service is considered to be of quality.

FACTUAL ACCURACY

16. The third feature is factual accuracy. Documents issued by the Immigration Department are very important as they are legal documents involving security. As such the Immigration Department is considered to have provided service if it ensures that documents issued to the public are accurate and do not contain any errors. Any error in an International Passport can give rise to serious problems for the passport holder.

FACILITY FOR THE CUSTOMERS

17. The fourth feature is that a quality service will take into consideration the importance of good facilities for customers. For the Immigration Department it means that its counter service is of quality, when its customers are provided with proper facilities. These include ample seating, a clean waiting room, writing tables, notice boards and adequate pamphlets and brochures. These facilities will ensure that the public is comfortable and satisfied with the service.

RESPONSIVE TO THE NEEDS OF THE CLIENTS

18. The fifth feature is that a department which is of quality will always be responsive to the needs of its clients. Such a department will always take every effort to streamline its service to the needs and expectation of the society. The action taken by the Immigration Department to open its counters at its headquarters on Sundays is a fine example which indicates that the department is responsive to the needs of its clients. By this, the large crowd at the counter on normal working days would be reduced and at the sametime the public which is not free on weekdays could make use of the service on Sundays. I do hope this service could be extended to other branch offices of the Immigration Department throughout the country.

SERVICE ON TIME

19. The sixth feature is that a quality service is one that is timely. As we know, the public is normally impatient if it has to wait for a long time for a service at the counter. For the Immigration Department, its counter service could be said to be of quality if the waiting time at a counter could be reduced. The introduction of the number system for queues at the counter and the preliminary vetting of applications for International Passpsorts is a wise measure, as the waiting time to get a passport has been reduced. Through this system, an applicant is able to know immediately whether his application form is complete and also his turn to receive a service at the counter.

TRUSTWORTHINESS

20. The seventh feature of quality service is reliability. To provide such a service, all Immigration Officers must enhance their expertise and skills in their respective areas of work, thus enabling them to earn the confidence of the public.

21. Through these examples, I believe, you understand what is meant by quality service and how it can be accomplished. These qualities can be further improved by the Immigration Department by paying very close attention to the needs and expectation of the clients.

QUALITY SUGGESTION SYSTEM

22. I believe, to achieve a quality management, the Immigration Department needs ideas regarding ways to enhance the level of its service. I recommend that all the staff be given incentives to provide good ideas and this can be done by having a Quality Suggestion System. Aside from this, the Immigration Department should also receive feedback from the public regarding its service so that any weakness can be identified and rectified quickly. For this, I suggest that a feedback mechanism for clients be established at the department.

QUALITY PROCESS

23. The quality service that is provided by the Immigration Department would also be influenced by the quality process that is used in getting the output of a service. As such, the Department should examine all the work processes carried by its staff and document them in the form of work flowcharts. At the same time, as a measure to ensure quality, the Immigration Department must undertake quality inspection of work done by its staff. This will ensure that work done is in accordance with the required quality standards.

QUALITY VALUES

24. To support the quality efforts undertaken by this department, every worker must be conscious of quality and at the same time must make the

quality principles as part and parcel of his work culture. To create this quality consciousness, I recommend that the Immigration Department also have slogans on quality which explain work values required by the department. This measure can be further strengthened through the holding of a Quality Day.

INFORMATION DISSEMINATION

25. One other important measure which needs to be given attention by the Immigration Department is the wide dissemination of information regarding the services it offers. For this purpose, the Immigration Department may issue brochures and pamphlets for the guidance of the public.

SPEECH DELIVERED AT THE LAUNCHING OF MOTOROLA'S TOTAL CUSTOMER SATISFACTION SERVICE COMPETITION AT HOLIDAY VILLA, SUBANG, SELANGOR—1 AUGUST 1991

Customer satisfaction is the key to survival and success of any organisation. Absolutely nothing is good enough if it can be made better, and better is never good enough if it can be made best. This dictum thought to be the preserve of the private sector at one time is now very much a part of the Civil Service specifically in the form of the Quality movement.

Introduction

2. I would like to express my thanks to Mr. Bertelson and the Organising Committee for inviting me to address this function as well as to officiate the launching of Motorola's Total Customer Satisfaction Service Competition. The very action of organising such a competition speaks well of Motorola's strategic focus and commitment to on-going improvement. As we are aware, Motorola's parent company in the United States of America was the proud winner of the Malcolm Balridge Award for 1988. Choosing not to rest on its laurels and on this honour and seeking to further improve its performance through competitions such as this, indicates Motorola's rejection of complacence and its pursuit of on-going improvement. Seeking to further improve customer satisfaction will certainly prove to be a worth-while investment. For, ultimately, customer satisfaction is the key to survival and success. It is crucial to bear in mind that satisfied customers become repeat and loyal customers and their word-of-mouth publicity becomes a significant advertising campaign for your company and its products. On the other hand, dissatisfied customers, especially seriously dissatisfied customers, are far more vocal and active in spreading negative images of an

organisation which can have major repercussion on sales and customer retention. This is what every company should know: that absolutely nothing is good enough if it can be made better, and better is never good enough if it can be made best. In the increasing demand for quality, the customers are about to get a powerful new tool: computer software programmes to evaluate the quality of goods and services. We may be moving toward a truely consumer-ruled economy. Let the manufacturing and selling companies beware of this tool.

Customer Satisfaction in the Public Sector

3. The concept of Customer Satisfaction is being stressed by the public sector too. In our programme for quality improvement, we have chosen to adopt the basic definition of quality as meeting the needs of customers and stakeholders. Any programme or project formulation is, therefore, to be undertaken with the views and needs of the intermediate and end-user in mind.

The Process of Total Customer Satisfaction

4. At this juncture, I would like to take the opportunity to elaborate a little on how the Civil Service, on its part, handles the aspect of Total Customer Satisfaction Service. The process of satisfying customer needs involves three major steps, namely:

(i) Identification of customers;

(ii) Understanding customer needs; and

(iii) Ensuring that the goods and services provided meet these needs.

Identification of Customers

5. The first major step is the identification of your customers. In private sector jargon, this aspect goes by terms such as market segmentation or

market niche. The peculiarity of the public sector is that we do not have the option of choosing our market segment or customers. For instance, the office of the Registrar of Business has its market segment already established.

Understanding Customer Needs

6. The second step in the process of Total Customer Satisfaction in establishing and understanding the needs of the customers. Being "**close to the customer**" is one of the key variables to success. We also stress the importance of understanding customer expectation or what the customer really expects out of the product or service being provided. This, in fact, is a major consideration which is given emphasis by Government departments. For, while most of our goods or services being provided are already established, it is more what the clientele expects out of such output that should dictate our actions in order to satisfy them. For instance, Government departments dealing with the public must simplify procedures, have simple forms to fill, provide fast and polite service, comfortable waiting areas, speedy redressal of problems which arise and minimum cost of procurement. Certainly, an effective approach to establishing customer expectations is through an effective feed-back mechanism.

An Effective Customer Feedback System

7. Government departments have been directed to ensure an effective customer feedback system, including the use of Customer Feedback Forms similar to those used by hotels and airline companies. In those departments and offices providing counter-services, suggestion boxes are to be placed in convenient places to facilitate feed-back and suggestions from the clientele on ways to improve the services. All departments have a regular media-watch, to tap information on problem areas.

Meeting The Needs and Expectations of The Customers

8. The third step in the process of Customer Satisfaction is to ensure that the goods and services provided by an organisation meet the needs and expectations of the clientele. Products and services that have **not** been designed taking into account customer expectation and needs can destroy the organisation's ability to satisfy the customers at a reasonable cost. The cost of non-conformance, in this case, escalates. It is also true that quality should be manufactured into a product from the beginning, not inspected at the end of the manufacturing process. It is also important that quality standards are built into the total process of producing a product or service. Such standards should be stated clearly and be measurable where possible. In recognition of the importance of translating quality requirements into specific quality standards, this process has been defined clearly and circulated to all Government departments for implementation through a guide-book on Quality Management and Improvement in the Public Service. In this way, the focus of all Government departments has been drawn to the need to ensure a high quality of output and the approach to systematise this process. I hope Motorola will provide the Government with feedback on its dealing with government departments.

Malaysia Incorporated

9. We have just launched our Second Outline Perspective Plan and the Sixth Malaysia Plan which are highly dependant on a high-growth, efficient private sector for goal-achievement. We, in the public sector, are fully aware of our role in facilitating your growth and success. The private sector is, in fact, our most important client group in the spirit of Malaysia Incorporated. The private sector on its part has a critical role to play in the industrial development of this country and in increasing our market-share

in global trade. An integral part of this is to move towards high quality output and, implicitly, total customer satisfaction. Your success in this venture is our success and ultimately the nation's success.

SPEECH DELIVERED AT THE OFFICIAL OPENING CEREMONY OF THE WORKSHOP ON MANAGEMENT AND ENHANCEMENT OF PRODUCTIVITY AND QUALITY IN CIVIL SERVICE ORGANISED BY FOA AND INTAN —15 SEPTEMBER, 1991

PRODUCTIVITY AND QUALITY

I am a person who believes very strongly in productivity and quality. The guiding principles are two words i.e. productivity and quality. Productivity, in simple words, is working hard, working harder than the duties given to us by our superiors, i.e. to do extra work. Quality, in simple words, means to carry out a job well and fully. Since I hold firmly to these two principles, it follows that when I became the Chief Secretary, the first step I took was to discuss with MAMPU how to put into effect these two words which are constantly on one's lips, and which are also upheld by our great leaders. As a result, I have issued a book which contains several Development Administration Circulars dealing with various aspects of productivity and quality. Thus, I need not reiterate the meaning of quality and productivity as it is well explained in these Administrative Development Circulars.

COMMITTMENT OF TOP MANAGEMENT

2. Nevertheless, I wish to take this opportunity to give my views on a number of important matters that are closely connected with management. Before doing so, I believe that if the quality and productivity movement is to succeeed, the commitment of top management is crucial. Tonight's occassion is meaningful because the Chairman of the Farmers Organisation Authority himself has shown great interest in the quality and productivity

movement. Dato' Khalid had even earlier arranged for a course on quality in INTAN for this officers. So this to me are good signs for the quality and productivity movement in the Farmers Organisation Authority.

PRACTICES THAT HINDER EFFORTS TO ACHIEVE QUALITY

3. Past experience shows that failure in efforts to achieve quality in a department arise from the practices of management and staff which conflict with principle. The practices which, I feel, conflict with principles of quality are:

(i) A section of management only talks about the importance of quality but does not allocate any time or take any steps towards practising quality.

(ii) Top management admits that quality is important but it does not practise its principles. For example, there are Heads of Departments who do not listen to the views of their clients or receive suggestions from others.

(iii) The staff in an organisation or department is not happy while carrying out efforts to enhance quality and on the contrary considers these actions as an additional burden. This means the involvement of lower ranking staff in quality programmes is not on a voluntary basis or because of consciousness of the importance of quality. On the contrary, their involvement is a result of management directives.

(iv) Staff which is given training in quality management does not put it into practice in its daily work. This shows that the training received has failed to create awareness or confidence in the staff members concerned regarding the importance of quality.

(v) Only a section of the staff involves itself in efforts to enhance quality the majority of these are lower ranking staff only. As such, these efforts do not have a significant impact on the performance of the department. Efforts to achieve quality require the full involvement of every staff member.

4. These are the five practices that do not support the productivity and quality movement. To counter these five negative practices the following actions have been taken. Firstly, a book of Development Administration Circulars has been published. Secondly, I have directed INTAN to organise courses to encourage suborduate officers to assimilate and practice the principles of quality and productivity. Thirdly, by initiating on-going quality movement accompanied by incentives such as prizes for innovations, medals and opportunities for promotion.

5. I would like to give some views on how we ought to eliminate unproductive practices.

(i) Unproductive practices are those rules, regulations or traditional work procedure operations that present, what we call roadblocks to effective work or impede increase of productivity.

Thus one of the duties of the Farmers Organisation Authority is to reexamine unproductive services or practices in the form of regulations as well as work procedures that present obstacles to the achievement of quality work;

(ii) To avoid what experts in public administration call disproductivity. Disproductivity means poor quality of work. Poor quality of work requires extra man hours of effort to check, inspect and audit. The better the quality of work, the fewer checks or audits necessary.

Thus one of the duties of the top management of the Farmers Organisation Authority is to evaluate the work of staff members. The principle here is, do the right things the first time; and

(iii) One of the most important duties involves the elimination or modification of activities, methods or procedures that impede productivity. Thus, Dato' Khalid may want to review the Farmers Organisation Authority Circulars and work methods. Such a study, I believe, should not be carried out internally. It should be with the cooperation of MAMPU or outside experts so that it can be analysed whether our work and the way we work are in accordance with the existing Circulars and also if any activity is unproductive. If you view this from the inside, I am quite sure you will say that you are right. We have to view our weaknesses from the outside so that you can have what we call an objective view of your organisation.

So to summarise, the following three aspects must constantly be reviewed to suit the environment:

(i) to evaluate your unproductive services;

(ii) to check on poor quality of work. What is meant by poor quality of work in the Farmers Organisation Authority and

(iii) the elimination or the modification of whatever procedures or methods which impede productivity.

6. The Farmers Organisation Authority was set up to provide services to farmers, performing a social function like extension service and other such services, and secondly to set up Farmers Organisations that are business oriented.

BUSINESS IN THE PRINCIPLE FOCUS OF THE FARMERS ORGANISATION

7. Now after hearing Dato Khalid, your emphasis is now more on the business activities of the Farmers Organisation and very much less on the social functions, which I think is the right move, as otherwise you're bound to have a dilution and you will lack focus. I wish to take this opportunity to give some of my views regarding the role of officers who administer or manage Farmers Organisations. And here I need only to underline one aspect, that is, at all times you must perform your functions with the business image, because Farmers Organisations are nothing more than Commercial enterprises. So officers who manage Farmers Organisations must change their image from that of a giver or provider of subsidies to that of a Business enterprise. What is important is the image of the business, in the public's perception. Therefore, if the officers do not change the image I think that the perception of the farmers and the commercial sector towards you will be nothing else and nothing more than that of typical bureaucrats. My view now, after listening to Dato' Khalid is that there needs to be a shift in the posture and the image of Farmers Organisation Authority officers. Now you must project what I call the business image. The image of business may raise or lower your work effectiveness. If you are keen only on the social aspects, this can be done by Agricultural officers. But my view is that, because Farmers Organisations are commercial enterprises, you must become entrepreneurs as well.

EXAMPLES OF BUSINESS/PRACTICES THAT ARE EFFECTIVE

8. What are some examples of business practices that are visible:

   (i) The type of businesses that the Farmers Organisation embarks upon must succeed. That will create a good image;

(ii) You must have a business objective. If you do not focus on making profits, I think you lack the focus. You must have a specific business and that is to make profits.

(iii) The officers must manifest their attitude towards cost and this must be manifested in their activities. You must now be concerned about cost. In my time, in the past, cost became very secondary. If there was no tractor, a tractor was given, if there was no power tiller, a power tiller was given, if there was no lorry, a lorry was given, if there was not enough officers, I nevertheless managed to overcome the problem. Now the government does not have a limitless amount of money.

(iv) Accounting practices. Concomitant with your seriousness towards cost and Farmers Organisation, the officers who are responsible for the Farmers Organisation must have a rudimentary if not a good knowledge of accounting practices. This must be emphasised. I believe if we understand more or less the principles of accounting, this will be reflected in your attitude and in your supervision of the Farmers Organisation.

(v) Officers must show proper conduct. This to me is important as the majority of our people/enterpreneurs forget basic ethics when they involve themselves in businesses such as the Area Farmers Organisations. To me ethics is very important like not deviating or not telling lies. I feel we must hold to good business ethics.

(vi) You must show executive work habits. Executive work habits means we safeguard the Farmers Organisation, as a commercial enterprise. If your habits are like those of other officers I think we will not have a business image. Thus I hope INTAN or other training institutions will be able to explain what are good executive work habits.

9. These are the six matters or characteristics that I would try to highlight to the officers of the Farmers Organisation Authority with the hope that they would be understood and given consideration. If you are able to project what I call business image, it will have a significant impact on productivity.

10. If your image does not change, you will not be able to create a business image and you would still be considered a bureaucrat. To me, you have to change from a bureaucratic image to a business image. Then and only then would I believe that Farmers Organisation can be self-reliant. My worry is, if we do not change our image, the Farmers Organisations will becomes a mere extension of the Farmers Organisation Authority. Farmers Organisations should not be regarded as extensions of Farmers Organisation Authority. Farmers Organisation in law are commercial enterprises. As such the social duties ought to be reduced and the officers need to change the image from one of mere officers to a business image.

MOTIVATION

11. In carrying out the duties we must not forget that officers are ordinary human beings and are influenced by various inclinations or instincts. Thus the Director-General of the Farmers Organisation Authority and every senior officer at the level of Deputy Director General and State Director must always monitor the behaviour and work habits of their respective officers. There are four insticts that influence officers to work hard, be productive or to produce quality work.

The first instinct:

(i) An officer who is educated has an achievement motive because he wants to accomplish something-the need to achieve a certain task. He is possibly influenced by what McClelland called "*the n arch*", the need for achievement.

Those who are familiar with David McClellands' theory of Social Psychology is that one of the factors that influences the human being to the level of success is the need for achievement.

(ii) That which influences the person to work hard is the power of motivation. Possibly because of education or environment, one possesses an instinct to influence and control things. We call that the power of motivation which springs from the need to influence and control the environment. This is one of the factors that influence the officer to be productive.

(iii) What influences a person to work hard is what we call the affiliative motive. Some like to develop what we call interpersonal relationships. They cooperate with others and use the power or influence of other people for the organisation.

(iv) The avoidance motive. There are some who are careful and they are influenced by the avoidance motive. Therefore, they want to do something to avoid failures.

UNDERSTANDING BEHAVIOR

12. These are the four instincts which are to be found in human beings. Some have all these instincts, others have a combination of these four and the role of each of these instincts in the lives of people is different. Some have a very high achievement arch. Some have a great avoidance motive. There are those who do not want to fail and therefore do not want to do anything because they do not want to take a risk. Therefore, it is the duty of the Director General to observe each of his officers perception on productivity and quality. If you do not understand the scheme, the scheme of personal behaviour, then you cannot assess whether an officer is driven

towards quality or productivity. Thus I always use this scheme to analyse officers who have potential for promotion. And how that evaluation is done is left to the involvement or observation of the Director General. If we use this scheme, then you are bound to use your officers more effectively.

TOWARDS EFFECTIVE MANAGEMENT

13. This is my view and I have deliberately presented this special scheme for the Director General to facilitate his evaluation of the potential of his officers to carry out the work which is productive and of quality. Thus, finally what is most important to the officers of the Farmers Organisation Authority is to acheive a level that is called "Managerial effectiveness". Managerial effectiveness is divided into four namely:

(i) Apparent effectiveness, i.e. we can evaluate the effectiveness of the manager by observing whether he comes on time, and whether he values time. Secondly whether his table is neat and possibly, thirdly, whether he is responsive to queries and answers letters. You must have this quality that we call apparent effectiveness;

(ii) Leadership. The leadership quality must be there, that is, the extent to which the leader or yourself can influence your followers to achieve the group objectives; and

(iii) Personal effectiveness, i.e. the extent to which you achieve your own objective; whether or not you set yourself a personal target such as gaining a promotion or gaining recognition from Farmers Organisation Authority.

14. All these will result in managerial effectiveness. Thus, if every manager is effective in carrying out his work then collectively the Farmers Organisation Authority will become an organisation that is effective.

SPEECH DELIVERED AT THE PRESENTATION FUNCTION FOR THE AWARD OF THE PUBLIC SERVICE QUALITY AWARDS 1991 AT PARK ROYAL HOTEL, KUALA LUMPUR — 31 OCTOBER 1991

Definition of Culture

It is important for us all to understand the definition of culture and subsequently, give a definition to or understand what is meant by quality and productivity in the Public Service. In the first place, the culture of an organisation refers to the sum of the shared attitudes, beliefs, and behaviour as held and displayed by the management and staff. In fact, when the attitudes, feelings and behavior of people within the organisation are so natural to them that they may even be unaware of the image they project or of their behaviour pattern, then that is when a culture is formed. The cultural traits or elements can either be positive or negative. The development of a culture of excellent performance in the Civil Service requires a disciplined approach. By self-discipline I mean not just obedience to rules and regulations, but the training of oneself to control one's habits, actions and desires. What are the negative elements in bureaucratic culture? Poor quality work is an example of disproductivity, because such poor quality work requires extra man-hours of effort to check, inspect and audit.

2. An important function for Heads of Departments to perform is to work on removing unproductive practices. In many departments, it is not very difficult to find areas of unproductive work, even if some represent very sacred cows. Government Departments cannot design new standards of service by following old routine.

The Creation of A Quality Culture

3. The creation of a quality culture requires a systematic management approach. In my opinion, the most appropriate approach is through Total Quality Management (TQM). TQM requires all levels of employees of an organisation to be directly involved in the quality improvement efforts. The effectiveness of TQM is dependent on the emphasis and practice of seven important elements, as follows:

(i) top management support;
(ii) long-term strategic planning;
(iii) customer-focus;
(iv) employee training and recognition;
(v) teamwork;
(vi) performance measurement; and
(vii) quality assurance.

4. I have directed MAMPU to prepare a booklet to explain each of the above elements in more detail as a checklist for Government departments.

Top Management and Quality

5. The top management must be obsessed with quality. You must spend time controlling the quality of your department's output. It is quite simply impossible to conceive of a change in any decision, minor or major, that is not preceeded by - and then sustained by - major changes, noticeable to all, in the way you spend your time; we are our calender, the signals we send about what is important and what is not. The power of the calender exists because virtually every one of your staff is a boss-watcher. In ways both direct and convoluted, the agenda of the others soon come to mirror that of the boss. Start every meeting with a quality review; meet with your staff to discuss quality; attend seminars on the topic of quality; make sure your desk

is stacked high with books and journals on quality; regularly call your assistants to ask questions about quality; circulate articles on the topic, with a simple note appended such as "can we make use of this? Let me know"; Get people to send you reports on some aspect of quality in their operations.

The Principle of Customer Focus

6. Government departments have been established to provide various facilities and services to members of the public who are their customers. In view of this, departments must strongly uphold the principle of customer focus in all aspects of their work and be always sensitive to the needs of the customers, changing work processes, regulations, systems and procedures in the provision of services which will benefit the customers. Departments should provide comprehensive training to their workers to understand the values of accountability and professionalism. Departments should also establish effective systems for recognition which can motivate employees to work with zest as has been shown by the departments which are receiving awards today.

Quality Control Circles (QCCs)

7. Departments should give ample opportunities to their employees to develop their potential by encouraging them to make innovations as well as involve themselves actively in quality improvement efforts so that they develop a feeling of ownership towards the department's work. This kind of involvement can be harnessed through participation in Quality Control Circles (QCCs) and in Quality Task Force.

Performance Measurement

8. Performance Measurement is a principle which must be given close attention by Government departments. For this, performance targets and

standards must be established in a form that easily lends itself to measurement. Quality should be measured. Measurement is the heart of any improvement process. If something cannot be measured it cannot be improved. Measurement should be visible. Almost all quality improvements come through the simplification of design, layout processes and procedures. You should strive towards improving these things.

Values of a Quality Culture

9. Enforcement activities should also be carried out by Government departments to ensure that the quality culture is adhered to by civil servants. The responsibility for this should be borne by Heads of Departments themselves. Values and good practices should be continuously inculcated such that they become second nature.

Q Day

10. I am happy that the **Quality Day** celebrations this year received very encouraging response, and I hope that this zest will be maintained throughout so that each working day can be taken as a Quality Day. In this way we can continuously increase awareness of quality and also strengthen values for a quality culture. Quality improvement is a never ending journey. There is no such thing as a top quality product or service. All quality is relative. Each day, each product or service is getting relatively better or relatively worse, but it never stands still.

Efficiency Service Awards

11. I am happy and proud that these efforts by the Government is receiving the support of the private sector. Beginning this year, the private sector has instituted a special award to be known as the **Efficiency Service Award**. This support from the private sector forms a major milestone in the

implementation of the Malaysia Incorporated Policy. The Efficiency Service Award will provide useful feedback to the Public Service, especially on the quality values regarded highly by the private sector, such as pleasant and polite service, timeliness and speed and accurancy in service delivery. This feedback is invaluable to the Public Service in its efforts to further improve the services being provided.

Recognition For Innovation

12. In early 1992, a similar function will be held to reward innovation in the Public Service as provided for under the Development Administration Circular No. 3 of 1991. Human creativity has no limits. It is important for the Public Service to nurture a culture which encourages innovation. The system established in the Public Service to give recognition to innovation will be as follows:

(i) The Innovation Award will be given to an agency, or division within the agency or an individual;

(ii) If the winner is an agency or a division or unit within the agency, the value of the cash award will be $5,000;

(iii) If the winner is an individual public servant, the value of the cash award will be $1,000;

(iv) Along with cash awards a trophy will be presented inscribed with the words **PUBLIC SERVICE INNOVATION AWARD 19_ _** : and

(v) Information on the nature of the innovation will be publicised in the official magazine of the Public Service **KHIDMAT (SERVICE)**.

13. Four criteria will be used to select the winners of this award, namely the contribution of the innovation towards reducing operational costs, saving of time, increasing work output and increasing customer satisfaction.

SPEECH DELIVERED AT THE CLOSING CEREMONY OF THE 8TH PUBLIC SECTOR QCC CONVENTION AT THE KOMTAR AUDITORIUM PENANG—12 NOVEMBER 1991

Upgrading Productivity and Quality Through QCC

With regard to the implementation of QCC as contained in the Development Administrative Circular No. 7 of 1991 recently launched by me, it is becoming more apparent now that QCC has proven to bring about much improvement in the quality of work and output. The QCC programme is aimed at involving staff at the lower levels to increase quality and productivity. Their participation in the process of problem solving related to their work to achieve the department's objectives becomes an important outcome of QCC. The main thrust of the QCC programme is **"participative management"** to enable workers to explore their potentials and talents, which consist of creativity and innovativeness.

Positive Effect

2. At present, as many as 202 QCC groups have taken part in 7 conventions organised in the past while the total number of QCC groups in all departments/agencies is estimated to be around 350. Feedback from various departments and agencies which are actively involved in implementing QCC have led to the following positive impacts:

(i) Instilling positive attitudes to solve daily problems such as improvement to office space and working environment;

(ii) Improvement in work methods and procedures;

(iii) Upgrading the quality of counter service and revenue collection;

(iv) Reducing costs and preventing wastage of resources and stationery;

(v) Enhancing the spirit of cooperation among workers; and

(vi) Upgrading the quality of human resources by way of generating job satisfaction, motivation and endurance.

Continuous Quality Work

3. I still find the presence of non-quality work among the workers. I shall hereby present a few suggestions to the Heads of Departments to ensure quality work on a continuous basis. They are as follows:

(i) Heads of departments need to evaluate the systems, procedures and processes as well as work methods in their respective departments and to plan so that their departments always practise productivity and quality measures;

(ii) Heads of departments need to constantly review all regulations, practices and services which are unproductive and hinder quality work;

(iii) Heads of departments need to constantly reduce wastage of **time, manpower and expenditure**.

Conflicts With Quality Principles

4. Our past experience has shown that the failure in upgrading quality in a department arise from the management and staff practices and attitudes which contradict the quality principles. There are 5 aspects which I observe to be in conflict with the quality principles. They are:

(i) *Management Attitude*

There are some Heads of Department who only talk about the importance of quality without allotting time and taking positive steps to practise it. For instance, not allowing the QCC group to meet an hour a week during working hours;

(ii) *Management Actions*

There are also Heads of Departments who concede that quality is important, but their actions do not reflect the practice of it. For instance, there are Heads of Departments who are not open-minded enough to listen to the views from customers or staff although such suggestions can solve many problems.

(iii) *Staff Attitude*

Staff in an agency are not happy to take steps to improve work quality. On the contrary, they regard them as additional burden to their workload. For example, the involvement of lower staff in the quality programmes are not on a voluntary basis nor is it due to the realisation of its importance. Instead, their involvement is often a result of perceived pressure from the management and only as far as necessary to satisfy work requirement. Such attitudes should not exist.

(iv) *Training Without Follow Up*

Members of staff who are given training in quality measures do not practise it in their day-to-day work. This shows that training is not followed up by practising the quality principles on a continuous basis.

(v) *Lack Of All-round Participation*

Only a small number of staff participates in quality improvement and most of this number is made up of the lower category. As a result, such efforts do not bring about considerable impact on the overall performance of the agency. Efforts to improve quality require all-round participation from every member of the staff including the management.

Quality Movement

5. The five characteristics which I have mentioned are counter productive to the quality and productivity improvement movement. As a positive step to improve the situation, I have issued several circulars and comprehensive guidelines for the reference of all officers to implement the quality and productivity programme. I have also directed INTAN to hold courses on the implementation of these circulars so that the principles of quality and productivity can be assimilated and practised by all civil servants. I am confident and believe that quality is a continuous movement to be supported together with incentives such as awards for innovation, scholarships, medals, recognition for promotion and others.

The QCC Convention Is Not For Show only

6. I understand that this year's Convention was sponsored by INTAN with the cooperation of all the State Governments. Initiative was shown by each State in holding its own QCC Convention. To me, this is a good practice and in line with the principle of involvement and participation. I would like to extend my congratulations to all the State Governments which have shown commitment for the QCC Convention and hope that this effort will continue in the future. With the presence of State Governments in this year's Convention, we have seen the management presentation from the

representatives of every state including Sabah and Sarawak. Nevertheless, I sincerely hope that such a display which has gone on for the past two days is not a mere show but something to be accepted and practised continuously. The interest of QCC should not only be in participating in the convention, but also to increase output and work quality as well as to provide efficient and fast service to the public. To all the groups who have made their presentations, I congratulate them for being selected as their State representatives.

Characteristics of A Quality Agency

7. In brief, there are 5 characteristics which qualify a department to be called a **Quality Department**:

(i) The department always finds ways to improve its services to give satisfaction to the public or its clients;

(ii) The department allows the relevant parties to set the quality norms be it in the form of services or products;

(iii) The services or products delivered by the department are defect free, credible, precise and timely;

(iv) The work process in the department is based on teamwork; and

(v) The department can easily adjust its regulations with **flexibility, responsiveness** and **open to change.**

SPEECH DELIVERED AT THE DINNER IN HONOUR OF SENIOR PUBLIC SERVICE OFFICERS WHO WERE PROMOTED HELD AT HILTON HOTEL, KUALA LUMPUR—5 DECEMBER 1991

Membership of the Promotions Board

At the outset, I would like to take this opportunity to extend my heartiest congratulation to all of you, Ladies and Gentlemen, who have been promoted. On this memorable occasion, I wish to announce that the Rt. Hon. Prime Minister has appointed two new members to the Promotion Board. They are the Hon. Dato' Dr. Abu Bakar bin Dato' Sulaiman, Director General of Health, and the Hon. Dato' Asiah bt. Abu Samah, Director General of Education. The appointment of the Hon. Dato' Asiah Abu Samah is of historical significance because she is the first lady to become a member of the Public Services Promotion Board. As it now stands, the members of the Board are the Hon. Tan Sri Dato' Mahmud Taib, Director General of Public Services, the Hon.Dato' Mohd. Sheriff Kassim, Secretary General of the Treasury, the Hon. Dato' Dr. Abu Bakar Sulaiman and the Hon. Dato' Asiah Abu Samah, with myself as the Chairman.

2. As you are aware, the Promotions Board shoulders a heavy responsibility. This is because it is the highest authority which considers the promotion of Division A officers in the Public Service who presently number 12,709. They consist of all management and professional groups such as officers of the Administrative and Diplomatic Service, Doctors, Engineers, Architects, Accountants, Valuation Officers, Agricultural Officers, Custom Officers, Educationists, Research Officers, Surveyors, Officers in the Printing Department, Prison Superintendents, Fishery

Officers, Veterinary Officers, Mine Inspectors, Officers from the Postal Department, Valuation Department, Cooperative Department and others. **The Education Services Promotion Board** which consists of the same members is responsible for the promotion of Graduate Teachers (D1) in the Education Service who number 33,487 persons.

Performance As A Basis For Promotion

3. Ladies and gentlemen, I am sure that you are very proud of your achievements. Promotion in the public service is based on **merit**, and no longer on **seniority.** Every officer who is considered for promotion is assessed on his work performance based on his Annual Confidential Reports, the Special Confidential Report, interview and performance in the promotion course . The Promotions Board also needs to be satisfied that there has been a proper declaration of assets and that the Anti Corruption Agency has no record on the officer concerned. So I am sure that you have the feeling that promotion is a reward for your own industry. It is said that industry is the mother of success—luck, a distant relative. This dinner that we are having tonight is a special function in your honour. This year alone, the Promotions Board has promoted as many as 4,740 officers, that is one officer to the grade of Staff I, two to Staff II, four to Staff III, eight to Super Scale A, 20 to Super Scale B, 46 to Super Scale C, 55 to Super Scale D, 111 to Super Scale E, 220 to Super Scale F, 442 to Super Scale G and 3831 to Senior Time Scale.

4. As seen from the statistics, the largest number of officers promoted are in the Senior Time Scale grade. This large number is due to the promotion of 3,045 Graduate Officers in the Education Service in two batches this year.

Promotion Criteria Under The New Remuneration System

5. The "New Remuneration System" will be implemented next year. Under this system, salary movements and promotion under the various salary structures will be based more on the performance of each officer in the Public Service. Evaluation will be made based on various aspects of achievement to encourage healthy competition among the officers. The Public Services Department is currently preparing an evaluation system which differs from the one used now—a system which is hoped will provide objective and fair evaluation based on the different levels of performance for each officer. The Public Services Department is also considering the possibility of having separate evaluation systems for different categories of service as well as for different groupings. Among others, the various criteria which are being considered in the evaluation system are:

(a) **Work output**, based on knowledge of work, work quality, timeliness, ability to manage and make decisions;

(b) **Good values** such as trustworthiness, reliability, or impartiality;

(c) **Potential** from the point of view of leadership and other such characteristics. An officer is also evaluated from the the point of improved potential following attendence at courses and seminars, as well as recognitions received in the form of awards. A new element to be considered is the **annual targets** as agreed upon by both the officer being evaluated and reporting officer.

Success Of The New Remuneration System

6. The success of the new evaluation system will ultimately depend on the objectivity and honesty of the Heads of Department and the Reporting Officers. A proper and systematic monitoring of officers throughout the year is crucial to provide for justice and fairness in the system. If there is

no-year-round monitoring of the performance of officers, then at the end of the year, even given the best of human memories, the evaluation will be heavily dependant on opinions and perceptions of the Heads of Departments or the Evaluation Committee on the officers' performance. Every man (or woman) has a right to his or her opinion, but no man (or woman) has a right to be wrong about facts. Fact is fact and feeling is feeling, never does the second change the first. The Head of Department or the Evaluation Committee must be honest and absolutely objective in evaluating the performance of officers. Honesty gives a person strength but not always popularity. An honest person alters his ideas or opinion to fit the truth, and a dishonest person alters the truth to fit his ideas or his opinions. So I would like to suggest that Heads of Departments should note down the achievements of their officers, as well as any lapse in performance on a regular basis, and not wait and reflect at the end of the year. In such a serious business, we cannot rely entirely on our memory.

The Quality Imperative

7. Now, I would move to the subject of quality service, "the quality imperative". Everytime one buys a car, takes a plane, rides on a train, submits an application for land development or packs a child off to a school, we are reminded of how critical quality has become in modern life. At today's prices, no one wants a car that falls short of perfect. Nor do we like to settle for lousy service from the airlines we fly, the stores we patronize, the banks we do business with. We are even, finally, becoming acutely aware of how a bad education can hurt not just our children but our country. Such are the expectations of the public towards the Civil Service. The public, that ranges from the village folk, businessmen, investors to others in the society, expect quality service from the public sector. It is, therefore, our responsibility to provide fair and quick decisions to reduce the waiting time of the public.

Administrative Improvement

8. Without a system, we cannot manage quality service properly. The quality system must be systematised. In order to create quality service in the public sector, several circulars have been prepared relating to management of meetings, improvement of the telephone service, quality improvement in Ministries and Departments, innovation awards, setting up of QCC, improvement of counter service, desk files, work action forms and productivity measurement in the public service. It is hoped that with such good administrative practices as contained in these circulars, and if such practices occur repetitively, there will develop a set of positive attitudes among civil servants; and there will emerge behaviour patterns concerned with quality at all levels of staff and management in the Civil Service. Scholars say that such a pattern of thinking, feeling and doing things is known as a culture. Since all the circulars are concerned with quality administrative practices, then we will have quality culture in the Civil Service. The Government has also agreed to use such circulars as a basis for training, and for it to be part of the syllabus for Government examinations, for promotion interviews and also to be considered in the award of training scholarships. With the wide usage of these circulars, quality culture in the Civil Service will be deeper-rooted.

SPEECH DELIVERED AT THE CEREMONY TO LAUNCH "TOTAL QUALITY MANAGEMENT" IN THE MINISTRY OF DEFENCE —21 JANUARY 1992

I am very grateful to the Hon. Dato' Seri Mohd. Najib bin Tun Abdul Razak, the Minister for Defence for consenting to invite me to this function to launch Total Quality Management (TQM) for the Ministry of Defence.

2. This move by the Hon. Minister himself indicates the dedication of the Ministry in its efforts to further improve the quality of service provided not only by the Secretariat of the Ministry of Defence, but also by all Armed Forces units under the Ministry's purview. The role of senior management is a critical factor in quality management. Under TQM, senior management is essentially the catalyst to the quality improvement process. The management is responsible for important functions such as planning, deployment of human resources and finances, and for quality control. The commitment of senior management is also an important factor which will ensure that the quality improvement process proceeds smoothly and develops continuously. This commitment can be evidenced through an attitude which places major premium on quality issues, through follow-up and follow through actions and by the inculcation of quality values in all areas of administration and management.

3. The implementation of TQM involves changes to the organisational culture through a transformation process from the existing work culture of the organisation to a new culture which is based on quality. This change, without doubt, will touch on the major components of culture such as beliefs, the value system, attitudes and other administrative and

management practices which have become routine in that Ministry. The major responsibility of the top management is to establish strategies on ways to instill the features of a quality culture into the new work culture being evolved.

4. In this connection, it is important for all those involved to understand the meaning of the term 'culture' and subsequently to define or understand what is meant by a *quality and productivity culture* in the Public Service. In the first place, the culture of an organisation refers to the sum total of the shared values and beliefs as well as the behaviours of the management and staff. In fact, when the attitudes, feelings and behaviour of people within an organisation are so natural to them that they may even be unaware of the image they project of their behaviourial pattern, then that is when a "culture" is formed. The cultural traits or elements can either be positive or negative. The development of a culture of excellence requires a *disciplined approach*. By self-discipline, I mean, to the civilian staff of this Ministry, not just obedience to rules and regulations, and to the commanders and soldiers, to orders and commands, but the training of oneself to control one's habits, actions and desires. What are the negative elements in a bureaucratic culture? Poor quality work is an example of unproductive practice because such poor quality work requires extra man-hours of effort to check, inspect and audit the work already badly performed. An important function for the Ministry of Defence to perform within the TQM is to work on removing all unproductive practices, even if they represent very sacred cows.

5. Without a system, we cannot manage quality service properly. The quality system must be systematized. To establish a quality system and culture in the Public Service, several Development Administration Circulars have been issued in the areas of management of meetings, enhancing the

quality of telephone services, quality improvement in Ministries and Departments, the innovation award, the establishment of Quality Control Circles, improving counter services, desk files, work action forms and productivity measurement in the Government Service.

6. It is hoped that with such good administrative practices and guidelines as contained in these circulars, and if such practices occur repetitively, there will develop a set of positive attitudes and acts in an organisation; and there will emerge behaviour and work patterns concerned with quality at all levels of staff and management. Such a pattern of thinking, feeling and doing things is known as a *culture*. Since all the circulars are concerned with quality administrative practices, then over a period of time we will have quality culture in the Public Service. The Government has agreed that the contents of these Development Administration Circulars be used as training material and also as part of the Government examination syllabus. It will also be used for the formulation of questions to be used in interviews for promotions and for the award of scholarships. With extensive use of the Development Administration Circulars for the purposes mentioned, the quality culture in the Public Service will be deep-rooted. I hope that the Ministry of Defence will fully implement all of these circulars.

7. *Performance measurement* is a principle which must be given attention by the Ministry of Defence. Performance goals and standards to be used at the Ministry level as well as by the Armed Force units should be established in a form which is easily measurable and evaluated.

8. Quality should be measured. Measurement is the heart of any improvement process. If something cannot be measured, it cannot be improved. Measurement should be visible. Almost all quality improvements come through the simplification of design, layout, work

processes and procedures. The Ministry of Defence should therefore strive towards improving these. May I suggest that the Ministry of Defence give serious attention to the queries raised by the Auditor-General on financial administration and management in the Ministry? The Ministry should also give due attention to complaints regarding the Ministry raised by the Public with the Public Complaints Bureau. Measures for the implementation of the TQM Movement should be activated and supervised by the Secretary General and Heads of Department personally.

9. The Ministry of Defence is the first Ministry to announce its intention to implement the TQM Movement. I view this effort as a very challenging prospect for the Ministry and pray that the Ministry will be able to undertake this effort with excellence and success. My highest congratulations to the Hon. Dato' Seri Najib, Datuk Nasruddin and General Tan Sri Hashim Mohd. Ali the Triumvirate or the Holy Trinity as well as to senior officers of the Ministry for this noble effort.

SPEECH DELIVERED AT THE EXCELLENT SERVICE AWARDS PRESENTATION CEREMONY OF THE INLAND REVENUE DEPARTMENT —25 JANUARY 1992

Implementation of quality improvement programmes involves changes to the work culture, that is, there should be a process of transformation from the current culture to a new culture based on quality. This change will certainly touch on the main components of culture such as values and attitudes and other administrative and management practices which have been routinised in a department. The main responsibility of the senior management of the Inland Revenue Department is to establish strategies to inject features of a quality culture into the new work culture being evolved.

2. In this connection, it is important for all of us to understand the meaning of the word culture and subsequently, to define or understand what is meant by a quality culture in the Public Service. The work culture of a department is the sum-total of values, attitudes and work practices of the management and staff of that department. The move to instill new values, new regulations or new work systems which are excellence and quality-oriented should be systematic and in line with the guidelines provided. Without proper guidelines, we will not be able to effectively manage the output of quality services in a department. To establish quality systems and a quality culture in the Public Service, a number of Development Administration Circulars have been issued on areas such as the management of meetings, improvement to the quality of telephone services, quality improvement measures in Ministries and departments, the Innovation Award, the establishment of Quality Control Circles, improvement of counter services, desk files, and productivity measurement in the Government Service. It is

envisioned that with the repeated use of the good administrative practices as expounded by the Circulars, such that they become daily routine, a quality value system and work culture can be created and developed in a department. The Government has agreed that the Development Administration Circulars be used as training material and as a part of the syllabus for Government examinations. They will also be used for formulating questions for interviews for promotion and for the award of scholarships. Extensive use of the Circulars in the areas that I have mentioned will enable a quality-based work culture to take root in Government Departments. I hope that the Inland Revenue Department will implement all of these Circulars.

3. The success or achievements of a Government Department is dependent on four important factors, *firstly*, leadership, *secondly*, team spirit, *thirdly*, creativity, and *fourthly*, continuous improvement. What is leadership? It is important to make a distinction between the terms 'manager' and 'leader'. A manager is one who performs the functions of management such as planning, organising, directing and controlling. A leader, on the other hand, is anyone who is able to influence others to pursue certain goals. In this context, I wish to congratulate the Hon. Dato Abu Bakar bin Mohd. Noor, the Director General of the Inland Revenue Department who is well endowed with leadership qualities and is also an effective manager.

4. Under his leadership, the Inland Revenue Department has made many *improvements* such as the initiation of the *Tax Payers Services Week* to provide better services to tax payers; the establishment of *One-Stop Counters* to facilitate those tax payers who have direct transactions with the Department; the establishment of *Problem-Solving Units in branch offices to facilitate speedy solutions to problems of tax payers*; and the establishment of *Quality Control Circles at branch offices* to ensure that tax

assessments are properly made and *to reduce error-rate*. The Department, in its efforts to establish closer relations with the public has produced *posters, calenders and guidebooks on tax matters which are used to educate the public*. To enable tax payers to evaluate the services provided, the Department has recently *circulated feedback forms and questionnaires* to tax payers to assist the Department in identifying areas for improvement in customer service. These efforts by the Department are commendable because they are self-initiated to *improve the management system of the Department*. I have been informed that the Department is planning more such programmes within 1992, to provide better services such as *the programme for tax payments through banks, to issue yearly statements to tax payers*, to up-grade *the Department's computer system* as well as *to design a self-assessment system*. I wish you every success in these endevours and I am confident that with the continued commitment of the top management as well as the officers and staff, the programmes planned by the Department can be implemented as successfully as its previous efforts.

5. The success achieved by the Department in increasing tax collections compared with collections in the previous year, indicates the premium placed by the Department on the provision of qualilty services. I am proud that the Inland Revenue Department holds fast to its philosophy of zero defects in the area of income tax assessments. I am told that Quality Control Circles have been established in all branch offices to identify assessment errors and to ensure that they do not reccur. Let it be that 'if the customer is satisfied, it is not because he does not get a bad service. It is because the bad service was never delivered in the first place'.

6. The quality improvement effort is a never-ending journey. It is continuous. When we reach a certain level of excellence, there is always a higher plane that can be reached. 'The race to quality improvement is really

two races. One is to get ahead; the other is to stay ahead. Quality is a moving target, something like the one mile race. What was once terrific - a four minute mile - is now only second or third best'.

7. Apart from improving the quality of work, I would like Departments to examine unproductive practices, namely those which contribute little to the achievement of departmental objectives -the type of work that is inherently restrictive in that it prohibits or makes difficult a high level of productivity. Specifically, restrictive practices refer to those rules, regulations, requirements or simply traditional operations that present roadblocks and impede effective work. Unproductive work includes any unnecessary activity or one that has a value less than its cost - doing things that are not necessary to the achievement of the department's goal - they waste time. It does not matter how efficiently they are done. What are some good examples of unproductive work? Conducting a study which is unnecessary. Writing a report which is not read. These things take a lot of time. Departments should get rid of unproductive practices by eliminating or modifying their activities, methods or procedures. The objective is to tear down barriers that prevent more productivity. If the departments remove unproductive practices, the departments can increase productivity with the same staff, and even increase productivity by one third. Departments should now begin to identify unproductive work practices and make a list of them. In making such a list, it is helpful to include for each item the source of or reasons for the unproductive practices.

8. For a start, examine self-imposed unproductive practices. The difficulty with self-imposed unproductive practices is that they are not obvious and sometimes not very visible. Certainly, nobody put these unproductive practices into place. Many of these seemed to be a good idea at the time, or even if they didn't, they at least didn't seem to be terribly unproductive or

time-wasting. Self-imposed unproductive practices are frequently procedures, processes or traditions; the way the departments operate.

9. Another area which I would like Government departments to look into is to cut through the jungle of paperwork which engulfs every department. Streamlining paperwork is critical for higher productivity and efficiency. Removal of unproductive practices, and the elimination of needless paperwork will increase productivity and efficiency with no further capital investment and with no increase in staff. I hope that the Productivity and Quality Committees which have been established at the Ministry and Departmental levels will look into suggestions on eliminating unproductive practices and also to clean up the paper jungle! The objective of this exercise is to save manhours as a result of work simplification and improvement of procedures.

COMMEMORATIVE LECTURE AT THE 34TH ANNIVERSARY OF THE MALAYSIAN ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS AT THE CROWN PRINCESS HOTEL KUALA LUMPUR 28 JULY 1992

It is indeed a privilege and honour for me to address the Malaysian Association of Certified Public Accountants on the auspicious occasion of its 34th anniversary on the topic: **"Productivity gap: Does it exist between the public sector and private sector?.**

2. There are similarities between business and public administration: managers in both sectors are involved in questions of organizational design, allocation of scarce resources, and management of people. Three differences are most apparent between public administration and business.

3. The first difference between government service and business lies in the purposes to be served. In most businesses, even those with service objectives, the bottom line—profit—is the basic measure for evaluating how good a job the organization is doing. In turn, the performance of individual managers, can, in many cases, be directly measured in terms of their units' contribution to the overall profits of the company. Profitability is the sovereign criteria of the enterprise. The same is not true of public agencies. The objectives of public agencies are often stated in terms of service: for example, the Department of Environment;s mission is to protect the quality of the environment; or that the Department of Social Welfare is to provide an adequate level of rehabilitative services to the disabled. Yet such service objectives are much harder to specify and to measure. What does "quality" mean with respect to the environment? What

level of service to the disabled is "adequate"? The difficulty of specifying objectives such as these makes it harder to assess the performance of government agencies, and, in turn, their managers.

4. A second difference between work in government and in business is the fact that government, at least in a democratic form of government such as ours, requires that many individuals and departments and agencies have access to the decision process. As a result, decisions that one individual or a small group might quickly make in a business, may, in a public organization, require inputs from many other agencies and departments.

5. Thirdly, managers in government seem to operate with much greater visibility than their counterparts in industry. The work of public agencies in a democratic government is subject to constant scrutiny by the press and the public. Government service is a noble calling and a public trust.

6. We often hear that the public sector is inefficient, bureaucratic and rigidly bound by many rules and regulations and procedures. The common perception is that the public sector is less productive than the private sector. In my opinion, this is one of those generalisations that has to be put right. The issue is: Is there really a productivity gap between the two sectors? At the beginning of this speech, I have stated the three differences between public administration and business. My central point is that there is the absence of a common yardstick of productivity for both the private and public sectors. Even in the private sector, the type of productivity measures used varies from organization to organization and from industry to industry, depending on the nature of their inputs and outputs.

7. It is a favourite topic of the private sector to raise questions about public service productivity. For this reason, it is important that you know something about the ways quality and productivity are being improved in government

department and agencies. Concern about public service productivity centres around issues of efficiency and accountability. There are variety of definitions of public productivity, which are tied in part to the service purpose of government and the difficulty of precisely measuring progress towards these purposes. Whereas private organizations can readily point to increases or decreases in the "bottom line", public organizations must take a broader view. In the public service, considerations of quality and productivity are inevitably intertwined. *Productivity* is defined as the *efficiency* with which resources are used to provide a government service or a product at specified levels of *quality* and *timeliness*. How do we achieve *efficiency*? It is achieved by reducing unit costs (total dollar value of inputs divided by total number of outputs) associated with a product or service. What is *quality*? It is the extent to which a product or a service meets customer requirements; and what is *timeliness*? It implies meeting schedule for design, development and delivery of product or service. Productivity in the Public service bust be defined broadly so as to include the full range of public concerns. Basically, however, public productivity is concerned with how public agencies can achieve their objectives as efficiently and effectively as possible—how they can improve their performance. The government's productivity improvement efforts seek to (i) increase service levels of government agencies, while holding costs constant; for example, the productivity of the Road Transport Department is considered to have improved if it has increased the number of driving licences processed in a given time period without additional manpower; or (ii) decrease costs for constant service levels; for example, the Identity Card Division of the National Registration Department can be considered to have improved its productivity, if it is able to reduce the time taken to issue a new identity card without additional manpower or equipment; or ideally (iii) increase performance or service levels while simultaneously reducing costs; for example there is improvement in the productivity of the Public Works Department Workshop if it can reduce the annual maintenance cost of a government vehicle.

8. Productivity in public organizations, as on others, can be improved through technological innovations. The computerisation programme and the widespread use of IT applications have brought about significant improvements in the operations of government agencies.

Examples of these improvements are:

a. The Registrar of Business is now able to reduce considerably the time taken to register new businesses, issue new as well as duplicate certificates, issue of Compound Notices, and the processing of winding up of businesses.

b. By using the Computer Aided Land Survey System (CALS) the Survey Department of Johore is estimated to have saved considerably staff time spent on computation, on plan drawings and on conversion of maps from the Imperial to the metric units.

The productivity of many government agencies has increased through the introduction of Office Automation such as word processors, facsimile machines, personal computers, photocopiers, electronic receipting machines and other sophisticated equipment. Many government agencies have automated their typing pools by using word processors and personal computers. These equipment has not only visibly speeded up the preparation of texts but has also increased the productivity of the secretarial staff. The use of sophisticated photocopiers has speeded up the production of urgent documents and has eliminated the necessity of staff working overtime. For instance, with the installation of two additional heavy duty copiers equipped with modern features in the office of the Registrar of Companies, the time taken to make copies of documents on registered companies had been shortened.

9. In implementing productivity improvement efforts, the public sector managers are required to identity and eliminate unproductive practices in their respective organisations. Such unproductive practices may include employees coming late for work, re-doing the same piece of work, or attending to private matters during working hours.

10. In the drive to institutionalise quality as a way of life in the public sector, the concept of *Total Quality Management (TQM)* has been given special emphasis. In doing so, public agencies are encouraged to be customer-oriented, conforming to identified standards of quality, and achieving Zero Defect in their operations. The public sector is perceptively shifting to a more customer-driven focus. It has now become more pro-active in meeting the expectations and requirements of customers. For the convenience of the customers, the One-Stop Payment and Service Centres and the One-Stop Licensing Centres have been set up. In certain agencies, counters are opened during lunch hours and even on weekends. Many public agencies are now more aware and understand fully the philosophy of *"Doing things right the first time and every time"* by identifying standards of quality and conforming to them. The Inland Revenue Department has developed specific work norms or standards for its staff. The annual work norms for every officer in the Assessment Division are 480 files for those handling Company cases; 2020 files for Salaried individuals; 1080 files for Business cases; and 720 files for Partnerships.

11. In order to ensure that administrative improvement programmes are systematically structured, organised and implemented, clear directives are necessary to elicit support and commitment of all public employees. In this regard, the government has issued a new series of circulars called the *Development Adminstration Circulars* to provide directives and guidelines to improve the quality and productivity of the public service. These circulars cover such subjects as the Quality of Services Rendered Through the

Telephone, the Public Service Innovations Awards, on Quality Improvement Strategies In The Public Service, on Productivity Improvement In the Public Service, On Quality Control Circles (QCC), on The Manual Of Work Procedure and Desk File, in the Implementation Of The Malaysia Incorporated Policy, and on the Improvement Of The Quality of Counter Services.

12. Improved productivity will depend not on the traditional authoritarian approach to management, but more on the participatory approach, on the involvement of all employees. Those who do the work know the work best and know best how to improve the work. All the guidelines that have been issued emphasise on five factors to improve productivity, namely (i) *emphasis on people* (where people are challenged, encouraged, and developed, and given power to act and to use their judgement; to instil the belief that high performance is a product of people who care rather the systems that constrain); (ii) participative leadership (where the heads of the agencies envision an ideal organization, define the purpose and goals, and then articulate these and foster commitment; (iii) innovative work styles (where the staff can reflect on their performance, learn from the effects of their action, seek to solve problems creatively, and maintain strong monitoring, feedback and control systems as useful tools); (iv) strong client orientation; (v) a mindset that seeks optimum performance (for the staff to hold values that drive them to always seek improvement on their agency's performance. When conditions change they adjust their methods, not their values).

13. Productivity improvements need institutionalization; they require the commitment of heads of agencies. So, we have the annual awards. The objective of the Government is to inculcate and institutionalise the culture of productivity and quality in the public service. Towards this end, the

Government has introduced a system of awards and recognition to individuals and organizations that have demonstrated excellence. These awards are:—firstly, the Prime Minister's Quality Award. Secondly, the Public Service Quality Awards given by the Chief Secretary to the Government, the Director General of the Public Service Department, and the Director General of MAMPU. Thirdly, the Public Service Innovation Awards, and fourthly, the Special Awards for excellence in six specific management areas such as Counter Service, Project Management, Financial Management, Human Resources Management, File Management and Information Technology Management. These awards are to recognize those who serve successfully. Government service examination questions cover the contents of the development administration circulars; questions on the contents of these circulars are also asked in interviews for promotion and for grants of scholarship; criteria for promotion are also substantially based on productivity and quality performance. An inspectore system to monitor the productivity and quality improvement programs has been established and is already operational. The Government is also investing more in its executive development program, and in the training of employees in quality and productivity standards. There are 709,000 civil servants in the country. So the implementation of productivity measures is an exacting and often excruciating undertaking. Despite all the difficulties, productivity measures are assuming increasing importance in public administration. Progress has been neither smooth nor swift, but is has occurred. In some instances, remarkable successes are being achieved

SPEECH DELIVERED AT THE 7TH PUBLIC SECTOR QCC CONVENTION AT KUALA TERENGGANU —19 NOVEMBER, 1990

Objective of the Excellent Work Culture Movement

The Excellent Work Culture Movement aims at inspiring members of the Public Service to improve the quality of their service. To further improve service quality or, in other words, the work output of a civil servant, one needs to assilimate positive values such as trustworthiness, discipline, creativity and team work. Quality output means output that conforms to the requirements of the client. In order to meet the needs of the client, we need to identify who our clients are. As an example, if our Department's role is in the provision of transport services, then punctuality becomes paramount, and the Department or agency concerned needs to upgrade the quality of its services rendered to the passengers who are its clients. Should our clients be investors in the manufacturing sector, then the services provided such as the process for procurement of manufacturing licences, tax incentives, and factory sites, the approval of building plans, and provision of basic ammenities have to be rendered in a manner which satisfies the investors.

2. Quality improvement should be viewed as an on-going process with a moving target which does not have a finishing point. I believe that we must build people first before a product or service. Quality is not only evaluated or measured in terms of output or services provided but is embodied in every activity, action or work performed by an individual. I would like to elaborate a little on the management of time, management of meetings, effective decision-making, handing-over of duties and also the aspect of meritocracy in the public sector, all of which have close connections with quality improvement and value added on the output of an individual within his department or agency.

Time Management

3. Most Heads of Departments find that they do not have enough time during their working day to carry out all the tasks that they see as essential to their jobs. Peter Drucker points out that, "The supply of time is totally inelastic. Time is totally irreplaceable. There is no substitute for time." He wrote this in his book "The Effective Manager". In this connection, I would like to advise the Heads of Department to evaluate the time that is available in a working day to find out whether there is a great deal of time wasted in activities that are unproductive, whether we are constantly aware of demands on our time which contribute little or nothing to the effective accomplishment of the main objective of our position or the post which we hold. We should always ask ourselves whether we are spending our time on the right things. We should think about how we should be spending our day and decide which tasks take priority. Your value as a Head of Department is measured in degrees of effectiveness. Effectiveness is doing the right job. An effective Head of Department starts out by finding where his time actually goes.

Effective Meetings

4. A lot of time can be wasted if Heads of Department do not conduct meetings wisely. Meetings should only be held to get together to give or exchange information or to solve a problem. We spend a lot of time in meetings of all kinds. In this context, I would like Heads of Departments, before calling for a meeting, to look at the basic question. Is the meeting really necessary? Could the matter to be discussed be dealt with by letter, a memo, a phone call or a simple conversation between the persons concerned? Sometimes five minutes spent with six people separately is

more effective and productive than the half-hour meeting with them all together. I have some suggestions for Heads of Departments to manage their time in as far as meetings are concerned. The agenda should be properly drawn up to indicate whether an item is for information, for discussion or for decision. I think you will agree with me that a meeting should not go on for too long, and one of the ways of avoiding this is to allocate a time to each item and to make sure that this is not exceeded. It is also a good idea to indicate the time for the conclusion of a meeting on the agenda as well as the commencement.

5. Minutes of meetings should be sent out within a couple of days, especially if there are a number of actions to be carried out. Most secretaries of meetings have not been trained to write good minutes, as well as to monitor the actions agreed upon at meetings for purposes of feedback. In this connection, a special course will be conducted soon entitled "Guidelines for the Management of Meetings and Government Committees" especially for secretaries of Government committees such as Cabinet Committees, State Government Council Meetings, Local and District Councils, Board of Directors of Statutory Bodies and Govenment Companies. The course on the Guidelines for the Management of Meetings is aimed at improving further the effectiveness of these Committees.

Decision-Making

6. In the Public Service, expectations of excellent quality service also include such aspects as speed, accuracy and the quality of decision making. Delay can be said to have happened when a certain task takes more than the minimum time alloted to or required for its completion. Delay in decision-making can result from weaknesses in systems and procedures, policies

which are not clear, undue cross-referencing between agencies, undue need for the use of discretion, unclear delegation of powers as well as the attitude of an individual, himself. As such, Heads of Departments should constantly review all existing systems and procedures with the view to expediting the decision-making process by reducing levels of decision-making, in other words review the Manual of Work Procedure being used. It is important to ensure that there is quality inherent in the decision-making process used by Heads of Departments. In this, I propose that Heads of Departments prepare lists which include:

(a) All statutory and administrative powers vested in them; and

(b) Specific criteria which can be used as guidelines to assist them in decision-making within a defined time schedule.

Use of Handing-Over Notes

7. One regulation which should be given attention as a means to maintain continuity in the Public Service is the use of Handing-Over Notes for officers involved in transfers, especially Heads of Departments who are vested with specific powers. The Public Services Department has specified the format to facilitate officers who will be taking over new duties. Under this regulation, the officers involved need to list the duties required of the post concerned, unfinished duties, the current status of work being undertaken, follow-up action required for unfinished work items, information such as file references, officers and departments to be referred to by the officer taking over the duties, in case of problems arising with regards to any unfinished work. I am confident that if Heads of Departments make it a point to draw the attention of their officers to this instruction which was issued on 1 July 1985, then the overall quality of the Public Service can be improved.

System of Recognition

8. One important criteria for quality improvement in any department or agency is the system of recognition instituted for staff members who provide excellent services. A meritocracy system is important in human resource management. For the purposes of promotion, the merit evaluation system is based on efficiency, good personal attributes, qualifications and experience which is in line with job requirements. Seniority will only be taken into consideration in cases where two or more officers of equal capability are being considered. Other than these, factors such as suitability and acceptability are also important for certain posts. To protect the quality of the service, a policy with regards to promotion for officers against whom disciplinary action has been taken should be formulated and explained to all members of the Public Service. The Public Service Promotion Board for Category A has determined that officers who have had disciplinary action taken against them will not be eligible for promotion for specified periods of time, in accordance with the type of punishment meted out. For officers imposed with disciplinary action, they will not be considered for promotion for a period of 6 months, those with deferment of salary for a period of a months, for fines a period of 12 months, 18 months for forfeiture of salary, 24 months for stoppage of increment, 36 months for those imposed with reduction in salary and 48 months for demotion cases. The starting period for the enforcement of this punishment for purposes of promotion is the date when the punishment was imposed.

The Prime Minister's Quality Award

9. I am happy to announce that the Department that wins the Prime Minister's Quality Award will be bestowed with various privileges. The winning agency will be given approval to use the 'Q' symbol in their official letterhead or other output. At the same time, the Department or Agency will

be allowed to use the wording "This Department is the Winner of the Prime Minister's Quality Award 19 " for a period of 3 years. Another privilege accorded is that the winner will become the model agency for quality management. Its victory will be published widely within the Public Service. Through these, it is expected that other agencies will follow the example and initiative to improve quality management in their respective departments or agencies.

10. For the coming year, on the request of the Ministries themselves 32 Departments, Boards and Divisions will be earmarked for the implementation of quality management. I hope that members of these QCCs, regardless of whether they win or not, will continue to work towards quality improvement in every area in their respective departments and agencies. This opportunity should also be used to learn from one another as well as to develop 'espirit de-corps' among members of the Service.

SPEECH AT THE LAUNCHING OF THE EXCELLENT WORK CULTURE MOVEMENT FOR PENANG STATE AT THE KOMTAR AUDITORIUM, PENANG—26 JANUARY 1991

Indepth understanding of the concept of quality in the part of Government employees is a very important prerequisite if any Government agency is to plan and implement quality improvement programme effectively. This being so, I would like to take this opportunity to explain what the term quality means in the context of the public sector.

The Concept of Quality In The Public Service

2. The definition of quality as used in the public sector cannot be equated with the definition commonly used in the private sector. This is because the operational objectives of public sector agencies differ from those of the private sector organisations. In the private sector, quality is usually associated with output which has the necessary features to retain or increase the number of clients. If a company does not produce quality goods, it will lose its customers. This will affect its bottom-line or profit-taking.

3. In the public sector, quality should be seen as output that satisfies members of the public who are the customers of Government agencies. The needs of the members of the public should be given priority because they are the stakeholders of Government agencies, in view of the fact that the public elects the Government in power. As such, a Government agency which emphasises quality must make efforts to produce goods and services which satisfy its customers.

Quality Services

4. The first factor to be emphasised in quality management is awareness of what is meant by quality goods or services. To elaborate on this, I would like to list a few examples of service or output which is not of quality. I believe that these examples will help us grasp the meaning of quality services or output in the public sector.

— The first example is when a Government agency does not update its records until this causes problems to its customers. For instance, if the Employees Provident Fund (EPF) does not update its records on EPF contributers, this default could create difficulties to its clients.

— The second example in when the delivery of a certain service takes up an unreasonable amount of time. For instance if a letter sent through the Express Post Service reaches later than a letter sent through ordinary mail this can be considered as a service which lacks quality.

— The third example is when an agency is not responsive to customer requirements. For example, if an Emergency Unit of a hospital is unable to provide emergency treatment to accident victims referred to it, then this unit has failed to provide quality services.

— The fourth example is when an agency does not make efforts to solve the problems of those members of the public who have dealings with it. For instance, if the Immigration Office at the Johore Causeway does not solve the problem of overcrowding and delay at its counters, then this too reflects a service which is not of quality.

— The fifth example in when an agency takes actions which are not just. For example, if the Enforcement Unit of a Local Authority takes action against only some unlicensed vendors instead of against all unlicensed vendors, then this too constitutes service which is not of quality.

— The sixth example touches on incorrect billing. For instance, if a consumer who normally incurs water bills in the region of $30/- to $40/- receives a bill for $1.8 million, this slip on the part of the Waterworks Department indicates lack of quality.

— The seventh example is of impolite service to the public. If the staff serving at counters is rude and impolite to customers receiving service from them, this is also considered as lacking on quality.

— The eight example is of members of staff serving at the enquiry counter of an agency, who are unable to provide the correct information on matters related to their agency to the public. If the counter clerk at the enquiry counter of the Road Transport Department is unable to advice clients on the exact form to be used for the transfer of vehicle ownership, then the service provided by that enquiry counter is not of quality.

— The ninth example is of an agency which is not able to keep its appointments with its customers. For instance, the Marriage Registration Section of the National Registration Department should always keep to the dates scheduled for wedding registrations. Failure to do so will cause difficulties for the couples to be registered as well as their families. The is not quality.

— The tenth example is of work done by a junior officer which contains many errors which subsequently has to be corrected by his senior officer. This means that the work completed by the junior officer lacks quality.

— The eleventh example is of mistakes made by Government agencies when issuing documents to their clients. For instance, errors on the part the staff of the National Registration Department in the spelling of names when issuing identity cards can cause much difficulty to members of the public when dealing with other departments such as when applying for International Passports from the Immigration Department.

— The twelfth example is of deviation and misuse of powers by staff of Government agencies. If driving testers in the Road Transport Department receive gratification to pass new drivers then that department's service could be said to be not of quality.

— The thirteenth example is when the results of the research done by an agency is not suitable for use by its clients. For instance, if the research results produced by the Malaysian Agricultural Research Development Institute (MARDI) cannot be used by the Department of Agriculture or its other clients, than the research results produced by MARDI are not of quality.

— The fourteenth example is when action is taken against innocent parties. If the National Electricity Company cuts electricity supply to the house of a consumer who has already paid his electricity bills, then this action is considered not of quality.

— The fifteen example is when efforts to recover documents from a certain Government agency takes an unduly long time. For instance, if the Housing Loan Department takes five years to

return the Land Grant to an officer who has repaid the housing loan, this service can be considered as lacking in quality.

THE FEATURES OF A QUALITY SERVICE

5. From the examples cited above, I trust that you would have an indication of what is meant by quality service. Based on these examples, we may conclude that quality service is service which is characterised by features which is the opposite of those shown in the above examples. It is clear that quality service is that which has the necessary characteristics to conform to customer requirements. The characteristics referred to here include:

(i) Timeliness in the provision of services;

(ii) Accuracy of facts and information provided to clients;

(iii) Responsiveness to customer requirements;

(iv) Discharging one's duties in a fair and just manner;

(v) Politeness and respect when dealing with clients;

(vi) Keeping promises or agreements made with clients; and

(vii) Avoidance of wastage of resources.

6. Thus, in pursuing quality, Government agencies should endeavour to absorb the quality features favoured by clients in the goods or services produced by these agencies. With this, any goods or services produced will be able to satisfy the customer. To reach this standard, each agency should be customer - driven where the interests of the customers is given priority.

QUALITY IMPROVEMENT EFFORTS

7. To achieve excellence in quality management, quality improvement efforts should be undertaken on an on-going basis. This process should be

undertaken at all levels of the organisation. In this process, the role played by Quality Control Circles is very significant. QCCs have been found to be very effective in solving quality problems and also in making very creative suggestions which could lead to reduction of operational costs. In the 7th National QCC convention for the Public Sector which was held in November in Kuala Trengganu, all of the fourteen participatings QCCs had shown results to be proud of, in improving the quality of output in their respective departments.

8. To highlight the effectiveness of QCCs in quality improvement, I would like to cite three example from QCCs which participated in the Convention, namely the SEMUT Group, the PEJAL Group, and the PEMBURU group.

(i) The SEMUT Group from the Drainage and Irrigation Department in the MUDA area of Kedah Darul Aman was successful in overcoming the problem of repeated measurement of grids for drainage projects under the MUDA Drainage Plan. As a result of the suggestions forwarded by this Group the cost of surveying was reduced by $100 a day for an area of 20 hectares.

(ii) The PEJAL Group from the Public Works Department of Kuala Trengganu has successfully designed a new equipment to patch potholes. The use of this equipment will save costs of repairing potholes on road surfaces to an amount of $1,159.00 a day.

(iii) The PEMBURU Group from the Padi and Rice Board of Melaka has reduced the problem of rats in the rice godowns by the use of a modified rat trap. As a result, the loss of rice in godowns in Melaka has been reduced by 11,232 metric tons a year with a value of $1,067.00.

9. I firmly believe that QCCs in the Government agencies can be successful in solving quality problems faced by their respective departments. The QCCs can overcome quality problems connected to systems and procedures, attitudinal change among staff and activities linked to the daily work of staff. Bearing this in mind, I hope that Heads of Departments will always give motivation, guidance and cooperation to QCCs within their respective departments.

CONCLUSION

10. Quality improvement efforts in Government agencies will be more successful if they are spearheaded by the management. In this context, I hope that Heads of Departments will plan and implement concrete programmes for quality improvement. Among the actions to be taken are the establishment of a formal structure for quality management and giving recognition and appreciation for achievements in this area.

EXCELLENT WORK CULTURE MOVEMENT FOR PERLIS INDERA KAYANGAN ON 18 FEBRUARY 1991

CHARACTERISTICS OF QUALITY SERVICE

Indepth understanding of the concept of quality among Government employees is an important variable in ensuring the success of the Excellent Work Culture Movement. As such, I would like to take this opportunity to explain what is meant by quality in the context of our duties and responsibilities in the Public Service. I will attempt to elaborate on the concept of quality by citing various characteristics generally valued by the public when dealing with Government Agencies, as follows:

2. The first characteristic is timeliness, that is, an agency should deliver services to the members of the public who are its clients within the scheduled time frame. For instance, the Drainage and Irrigation Department must supply water to the cultivation areas according to the schedule for padi planting. If this schedule is kept, only then can the service be considered to be of quality, since it conforms to the requirements of farmers. Conversely, to quote another example, if a letter sent through the Express Post Service reaches its destination later than that sent through ordinary mail, this shows a service which lacks quality.

3. The second characteristic is avoidance of backlog of work. As an example, in housing loan transactions, if the authorities concerned take five years to return Land Grants to an officer who has already completed full loan repayment, then the service provided by this department is not of quality, Conversely, if the Grant is immediately obtainable from the Land Office or Registrar of Titles, then this is quality service.

4. The third characteristic is responsiveness to customer needs, in other words, a quality department or agency is ever ready to provide services as and when required. The Fire Department, for example, will become a quality department if its is able to respond to all calls for its services. Conversely if an Emergency Unit of a Hospital is unable to provide emergency treatment to accident patients referred to it, then this means that the unit has failed to provide quality services.

5. The fourth characteristic is readiness for use. For example, if a town council provides recreation parks for public use, then these parks should be well maintained and safe for use. If such maintenance could be regular, then the service provided could be said to be of quality.

6. The fifth characteristic is reliability, that is providing a service that the public can depend on. For instance, in the case of the Department of Agriculture, if the extension service and advice provided on new methods of planting benefits farmers through increased harvests, then the service provided by that department can be considered to be reliable and of quality.

7. The sixth characteristic is that any action taken by Government departments should always be fair and just. For instance, if the Enforcement Unit of a Local Authority takes action against only a section of unlicensed vendors and not against all those who have committed such an offence, then the action taken by that Local Authority is not of quality because it is not just.

8. These are six examples which I hope will give an indication or definition of what is quality service and what is not. Government agencies must formulate concrete programmes to improve work quality of their respective

agencies. I would like to suggest seven programmes which can be implemented immediately by all Government departments to improve work quality. These are:

(i) The Quality Suggestion System;

(ii) The Quality Feedback System;

(iii) The Quality Inspection System;

(iv) The Quality Process System;

(v) The Quality Information System;

(vi) Formulation of Quality Slogans; and

(vii) Quality Day

THE QUALITY SUGGESTION SYSTEM

9. The Quality Suggestion System can be introduced at departmental level to encourage the generation of useful ideas which can lead to improvement within the department. Under this system, the heads of units in Government departments can be encouraged to directly channel useful ideas or thoughts for improvement of their department to their immediate superiors or senior management.

THE QUALITY FEEDBACK SYSTEM

10. Other than quality suggestion, Department Heads also require an effective feedback system to achieve their quality objectives and goals. The aim of a Feedback System is to enable Government Departments to be informed of whether the level or quality of services they provide meets customer requirements. To ensure the successful implementation of the

system, Government Departments would need to explore various ways of attracting quality feedback from the public. In this instance, the suggestion box system can be expanded whereby suggestion boxes are located in various locations frequented by the public. Government Departments may also take examples from the private sector especially the hotels which make available an evaluation form for the use of their guests. This form enables the guests of a hotel to provided feedback immediately after using the hotel's facilities namely at checking out time.

QUALITY INSPECTION SYSTEM

11. The third programme recommended is the establishment of a Quality Inspection System, that is, what is known as Quality Assurance whereby it is ensured that each output produced by an agency is always of quality. Quality Assurance requires comprehensive monitoring.

QUALITY CONTROL SYSTEM

12. Quality Assurance requires Government agencies to establish a comprehensive Quality Control System for all work processes, from commencement to completion of work that is until the output is ready for delivery to the consumer. As you are all aware, any output involves various levels of work processes. To ensure that the final output is always of the required quality, each work process involved in the output should be inspected closely. Defects detected through this process can be immediately corrected. This enables early detection of quality problems before they are transmitted or passed on to subsequent work processes.

13. Departments should ensure that the work process involved is clearly understood by the staff responsible for its operation. For this, work flow

charts should be used to provide detailed explanations of the various processes involved in the production of an output. This flow chart can be incorporated into the desk files of staff or displayed at strategic locations for the reference of staff.

14. Besides these, flow charts, specific processes may be displayed at areas within an office frequented by the public. This will indicate to the public the process involved in the output of services required by them. This is especially applicable for departments which have counter services. The Immigration Department, for example, could display the steps involved in processing applications for passports, from the time of application up to the delivery of the passport to the applicant. This ensures that the public is informed of each step taken by the Immigration Department in issuing passports. Similar action could be taken by Postal Department and Town Councils, This is especially pertinent for Town Councils which are vested with various powers such as approving of building plans and the issue of Certificates of Fitness. It is good for the public to be informed of the action being taken say from the moment an applicant submits plans for the construction of a house until the issue of the Certificate of Fitness. the work process involved should be displayed to the public to indicate each officer who will be handling particular processes and the estimated time period for each process. I would advise that such display of work processes be also carried out by District Officers which are vested with various powers for approval. This applies as well to Offices of Commissioners of Lands and Mines which are responsible for processing land matters such as the issue of land grants arising out of sub-division and other such cases. The public, as our clients are entitled to be informed of the work flow in any department so that they have an indication of the time period taken for the delivery of any service such as the issue of land grants.

QUALITY INFORMATION SYSTEM

15. The fifth programme is an effective Quality Information system to disseminate information to the public. For this purpose Government Departments may use various modes to channel information such as the issue of pamphlets, brochures, newsletters and others. Currently, many Government Departments and Agencies are already disseminating information to facilities the public. For instance, the Ministry For International Trade and Industry has various such publications as the Malaysian Export Trade Directory, a booklet on ways to incorporate a company and ways to apply for tax incentives.

16. I have been informed that many other Government Departments issue manuals and handbooks to provide details on the services which can be availed from them. Such action is very necessary to improve the quality of the services provided by any Ministry or department.

FORMULATION OF QUALITY SLOGANS

17. The sixth programme is the formulation of Quality Slogans by departments. This is a strategy to create overall awareness of quality among the staff members of an agency. This awareness will act as a motivation to them to internalise the quality values upheld by their department into their daily work. Quality slogans also provide focus, vision, or targets for a department in the area of quality improvement. This focus gives a point or reference for staff members in evaluating their roles such that they are always in alignment with the department's goods.

18. In formulating quality slogans a Government department may need to state clearly its aims in the area of quality management such that it can be easily absorbed by each member of its staff. These aims and goals can be in

various forms such as reduction in operational costs. The slogan can be linked to the quality standards to be achieved or quality features desired. For example, if a department faces the problem of work back-log, its slogan could be 'come, let us get rid of work back-log' or we may want to achieve a certain target. For example the Department of Agriculture may have its slogan as 'Let Us Train 20 Thousand Farmers This Year', or the Farmer's Organisation Association may have a slogan which states 'Let Us Create A Farmer's Association which will be More Self-reliant By Such and Such A Year'. Therefore, slogans which clearly express the aims and goals of a department will help in the internalisation or assimilation of these among the ranks of the staff. The more clearly informed of the aims and goals of a department the staff is, the better the quality of the output will be. The department could also use slogans as a means of communication to convey the quality value system which it desires to promote as part of its corporate culture.

19. Recently, I visited a Matshushita factory which produces air-conditioners. One of their slogans is "Let Us Beat Japan". As you are all aware, products manufactured by Japanese companies adhere to zero defects. This is the reason why Japanese goods are able to command a market in Europe and the United States. In short, Japanese goods are of better quality compared to goods produced by the United States or Germany. A good example is a Seiko watch. Seiko watches are now able to compete with Swiss-made watches. In this light, what is implied by the slogan in the Matshushita Air-Conditioner factory in Shah Alam is "Let Us Beat Japan In Quality". In the same way, I believe that if our Heads of Departments can formulate appropriate quality slogans for their respective departments, this can help in the in the instillation of good values among staff members.

20. The quality slogans formulated should be disseminated widely through effective media or any other appropriate means, such as banners displayed in strategic places within the office area, slogans stamped on front of envelopes, slogans engraved on souvenirs, badges etc.

QUALITY DAY

21. The seventh programme is the organising of a Quality Day by departments with the aim of further strengthening the quality culture. Under this programme, a Government Department may select a suitable day every year to celebrate the achievements of that department in the area of quality improvement. In conjunction with Quality Day, department may discuss with their staff the quality improvement programme to be implemented in the coming year as well as set fresh goals and targets for achievement within this programme. In planning Quality Day, Government Departments should arrange for activities that reflect their commitment or resolutions towards quality improvements such as the following:

(i) To present awards for appreciation and recognition to staff members who have shown excellence in their work performance;

(ii) To give recognition for significant contributions by work groups; and

(iii) Conduct seminars, talks and pledge-taking ceremonies and presentation by Quality Control Circles which have been active.

22. Departments may invite representatives of other Governments Departments, the private sector or members of the public to take part in their department's Quality Day celebrations.

ATTITUDINAL CHANGE

23. The Excellent Work Culture Movement can be deemed as a measure to bring about attitudinal change in Government Officers that is to instill positive values. But, why do you change programmes that do not produce change?. We have heard of many improvement programmes which have not produced the desired effects. Successful change efforts must forecast on the work itself. In other words, if a programme or movement is to achieve the desired results, emphasis must be given to the work process for implementation itself, not just through the pronouncement of slogans or lectures.

24. To my mind, for an improvement programme to be implemented successfully, the work process involved, namely the work to be undertaken by each worker should be supervised. For example, if the employee involved is a development officer, then we must examine and supervise closely the work that he carries out. If the worker is a technical man who is in charge of drainage and irrigation, we must go to the field to inspect the work being done.

SUPERVISION OF WORK

25. Our mistake in the past was the lack of close supervision. We only hoped upon hope. However, under the quality programme, Heads of Departments must go to the ground, hobnob with employees and personally supervise work. The common term used for employees in the Public Sector is members of the Public Service. Members implies inter-relationship. If we dot not go to the ground and personally see to the work, the word member becomes meaningless.

26. Heads of Departments must direct their attention to the work

schedules of each member of their organisation and their aims and objectives of their work must be clearly defined and explained. For instance, should the employee be an engrossment clerk in the office of the Registry of Title, we must inform the engrossment clerk of the objective and targets to be achieved in his realm of work within the next one month. If the work-load is heavy you must set for him a realistic target for one month, such as how many titles he should complete in one month. Or for a development officer, there must be system of 'visit and train'. You must fix a target for the officer. How many farmers can you visit and assist in improving their effectiveness in one month?

SPEECH DELIVERED AT THE 'Q' CONVENTION AT THE ISLAM CENTRE, KUALA LUMPUR —7 MARCH 1991

Promotion

In the Public Service, promotion is an important motivating factor. It is a reward for officers who have shown commitment, dedication and have given excellent service to their organisations. For this reason, the promotion of officers is based on their Performance Report, specifically the Annual Performance Report and the Special Performance Report. In addition, for promotion to specific posts, interviews are also held in order to make a detailed evaluation of the officers' performances.

2. In order to ensure that promotion remain an effective motivating factor, it is essential that this function be strengthened. For this purpose, it is appropriate to honour those promoted at this special occassion. This will be an additional incentive to officers as a mark of the Government's appreciation and recognition of the excellent services they have contributed. In doing so, promotions become an important event that gives a sense of pride to officers which spurs them to work harder in the future.

3. In my speech at the Seventh Convention of the Public Service's Quality Control Circle in Kuala Terengganu, I have stated that one of the important criteria to increase productivity in a department or agency is the system of reward for members of staff who have shown excellent service. Meritocracy is important in human resource management. For the purpose of promotion, the system for evaluating merit is based on efficiency, strength of personal attributes and the qualification and experience required for the higher position to be assumed. Seniority will only be

considered where two or more officers have the same ability. Other than that, suitability and acceptability are important for some positions.

Innovations in the Public Service

4. Improvement in the Public Service has been continuously pursued since Independence. These efforts are aimed at increasing productivity as well as to provide more efficient, timely and effective service. We have experienced rapid and dramatic changes. Several policy changes, programmes and activities carried out in the 1980s have resulted in increased efficiency of services rendered. Among these were the Civil Service Core Principles, the Clean, Efficient and Trustworthy concept, the Civil Service Code of Ethics; the Inculcation of Islamic Values in Administration; Leadership by Examples; and the Punch Clock System.

5. These efforts have instilled awareness and created an administrative team capable of implementing Government's policies and programmes efficiently and effectively. During the same decade the Government introduced several new National policies such as Privatisation, Malaysia Incorporated, Heavy Industries Policy, National Agriculture Policy and the Look East Policy. In its effort to meet the challenges of these new policies, the Public Service experienced several positive changes. The Public Service has succeeded in meeting the trust and responsibility entrusted upon it. Accruing from this success is the stability of the nation and rapid economic growth.

Challenges of The 21st Century: Vision 2020

6. In the decade of the 90s leading to the year 2000 or the 21st century, the Public Service must bring about changes and improvements consistent with the political leadership of the Nation. In the quest for progress, the

vision of a fully developed Nation has been set. The Honourable Prime Minister has outlined nine principal strategic challenges viz:

(i) Establishing a united Malaysian Nation made up of one Malaysian Race;

(ii) Creating a psychologically liberated, secure and developed Malaysian society;

(iii) Fostering and developing a mature democratic society;

(iv) Establishing a fully moral and ethical society;

(v) Establishing a matured, liberal and tolerant society;

(vi) Establishing a scientific and progressive society;

(vii) Establishing a fully caring society;

(viii) Ensuring an economically just society, in which there is a fair and equitable distribution of the wealth of the Nation; and

(ix) Establishing a prosperous society with an economy that is fully competitive, dynamic, robust and resilient.

7. The Public Service must respond to these challenges positively in order to realise the vision of the Prime Minister. In the effort to achieve the National objective and vision, the Public Service leadership must act with wisdom. The values, norms and ethos enunciated by the Hon. Prime Minister must be assimilated by the Public Service.

8. One of the efforts identified towards achieving an efficient Public Service is the Quality Culture Movement or the Q Culture.

A Quality and Productive Public Service

9. The Government has introduced a quality management model to assist Government agencies to manage quality effectively. This model emphasises five aspects for action:

(a) Strategic Planning;

(b) Determining Standards For Quality Output Standard;

(c) Determining Standards For Quality Processes;

(d) Determining Standards For Quality Human Resource Standard; and

(e) Establishing Quality Problem Solving Processes.

(a) Strategic Planning

The objective of planning is to ensure that agencies produce output that truly meets the needs of customers. To enable such planning, agencies must take into consideration environmental changes, the strengths and weaknesses of the agencies and the opportunities that can be utilised by the agencies for their interests.

(b) Determining Quality Output Standard

Each output produced must always be to the satisfaction of the customer. Therefore the agency must ensure that each output meets the quality standards stressed by the customer. These standards are reliability, timeliness, safety, functionality, durability and others.

(c) Determining Quality Process Standard

Output that meets quality standards can only be obtained through a quality work process. It is therefore necessary for each agency to establish such work processes through determining quality standards for each level of the process.

(d) Determining Quality Human Resource Standard

Human resource is a critical input to produce quality output. It is therefore imperative to ensure the quality of human resource at all times and this is done through the establishment of high quality standards. To achieve such standards, a comprehensive training programme is necessary.

(e) Establishing Quality Problem Solving Process

Problems arising from quality issues in an agency must be resolved effectively. For this purpose, a model emphasising six steps is recommended. The steps are:

(i) identifying the problem;

(ii) analysing the problem;

(iii) developing alternatives for resolving the problem;

(iv) choosing the most appropriate alternative;

(v) implementing the alternative chosen; and

(vi) effective monitoring and evaluation of the alternative being implemented.

Role of Management

10. In order to establish a quality Public Service, the management of an agency must play a leading role. It has to encourage each employee to focus on quality as a priority consideration as well as to create an organisational environment that encourages the development of a quality culture. The following actions need to be taken by management:

(a) Formulating a quality policy for the agency;

(b) Establishing a structure for quality management;

(c) Sponsoring quality education; and

(d) Giving due recognition to employees excelling in quality efforts.

The Challenge of Quality Culture

11. The major challenge for an agency to establish a quality culture is to obtain the participation of all levels of employee. In order to face this challenge successfully, the management must foster understanding of the meaning of quality and the management concept of quality management to be implemented in the agency concerned. In other words, the management must create a unity of language on quality amongst employees. In this regard, the management must ensure that its employees have an understanding of four quality management principles introduced to Government Agencies, namely:

(a) that the definition of quality is to fulfil the requirement of the customer which has been translated to standards of excellence;

(b) that the concept of the customer includes the internal and external customers;

(c) that Quality is achieved through prevention;

(d) that the performance standard for quality management is *zero defects*; and

(e) that the Quality costs which need to be reduced are derived from outputs which lack quality (the cost of non-conformance)

Quality Programme

12. Government Agencies must not view the Government's earnestness in establishing a quality and productive Public Service as a mere campaign or exhortation. On the other hand, each agency must arrange concrete programmes towards achieving the desired objective. In that direction, the Government has introduced seven programmes to be implemented by each agency. The programmes are:

(a) Q Suggestion System;

(b) Q Process System;

(c) Q Inspection System;

(d) Q Day;

(e) Q Slogan

(f) Q Feedback System; and

(g) Q Information System.

(a) Q Suggestion System

The Q Suggestion System is introduced in order to encourage the generation of ideas that will improve quality amongst the employees of an agency. In this system, each employee is encouraged to use his creativity and innovativeness to suggest ways and means or ideas that can be used to increase the quality of output of the agency. A good suggestion or proposal will be accorded appropriate recognition.

(b) Q Process System

The Q Process System is introduced to assist employees of an agency to complete a work process with quality. Under this system each stage of the work process in producing a quality output will be documented in detail in the form of a work flow chart. This will be a source of reference for employees to enable them to understand clearly the work to be undertaken, including the quality standards that must be observed.

(c) Q Inspection System

The Q Inspection System is a form of *Quality Assurance* to ensure that the output produced by an agency is always of quality. Under this system, agencies are required to undertake quality inspections at various stages in the production process of an output. Where a defect in output is detected during the inspection, immediate remedial action can be taken.

(d) Q Day

Q Day is a day chosen by an agency to celebrate the agency's achievement in quality management. Its objective is to demonstrate management's commitment to quality. In celebrating Q Day, agencies can arrange for such activities as a pledge taking ceremony, lectures, giving away of quality awards and other such activites.

(e) Q Slogan

A Q Slogan is introduced as a strategy to inculcate quality consciousness amongst employees of an agency. Through such slogans the management clarifies to its employees the *vision* of the agency, the quality objectives it aims to achieve or the quality

value system that it hopes to inculcate amongst the employees. Such slogans can be conveyed through the use of banners, posters, badges or various other appropriate media.

(f) Q Feedback System

In the effort to improve quality, agencies need feedback from the public pertaining to the services they provide. Through the Q Feedback System, each agency is required to establish an effective customer feedback system within its organization. Feedback from the public can be systematically gathered and analysed in detail. The outcome of the analysis is made the basis for further improvement of the quality of the service.

(g) Q Information System

The purpose of the Q Information System is to disseminate information to the public regarding the services provided by an agency. Such information can be conveyed in the form of pamphlets that are easily read and understood.

The Role of Employees

13. Each employee must continuously endeavour to ensure the success of the quality efforts in each Government Agency. Employees must not only participate in the quality efforts undertaken by their agency but must also act proactively through the contribution of creative and innovative ideas. Such contribution is vital especially in assisting the agency to identify the form of output required by its customer as well as to seek solutions to problems pertaining to quality. To enable each employee to play this role effectively, they must make efforts at self development through training in their particular fields of work. This must be undertaken continuously at their own initiative without having to depend on agency-sponsored training programmes.

Time Management

14. Time is a crucial input in the production of an output, just as important as other inputs such as human resource, capital and technology. Consequently, the time factor must be managed competently in order that it does not jeopardize the productivity of the agency. Even though generally time is freely obtained, the agency will bear losses if time is not well managed. This is due to the unique nature of its inelastic supply, that it cannot be stored and is irreplaceable. According to *Peter Drucker* in his book "*The Effective Manager*":

> "The supply of time is totally inelastic. The time is totally perishable and cannot be stored. Time is totally irreplaceable. There is no substitute for time".

15. An agency that does not give due importance to time management will have limited capabilities in producing output in the prescribed time, in the timely response to the demands of its environment, and in seizing opportunities in the interest of the agency. In addition, the agency will also be exposed to various risks such as:

(a) Additional cost for delays in carrying out certain specific responsibilities. As an example, an agreement with the private sector for the implementation of construction projects provides for a penalty clause which stipulates the liability of the agency to compensate the contractor accordingly where the agency is late in completing specific responsibilities agreed upon;

(b) Wastage of resources, as the agency's output is no longer required by its clientele. For example, when the Department of Agriculture is late in supplying paddy seeds beyond the planting season, the seeds will not be used by the farmers; and

(c) Jeopardy of the image of the agency, as the public will consider its services as unreliable. For example, where the fire brigade arrives too late at the location of the fire than it normally should, it will cause the loss of public confidence.

16. In order to guarantee the capability of the agency, its management must at all times encourage and assist its employees in managing their time effectively. Each employee must be asked to analyse the way he spends his time at work, the way he carries out his work and the system he uses. The purpose of this analysis is to monitor the sources of time wastage in order that they can be overcome. In such analysis, more often the employee will attribute time wastage to external factors arising from interruptions such as in attending to phone calls, meetings, guests calling at the office, in addition to heavy workload. Few will admit that the source of time wastage arises out of their own weaknesses such as the *lack of delegation*, the resolution of problems through *fire-fighting*, lack of planning and prioritisation of work, following an *open-door policy* without much control and the frequent resort to *procrastination*.

17. Indeed, management of time is an aspect which is rather personal for an employee. It is therefore not easy to formulate a time management model that meets the needs of every employee.

Basic Guide In Time Management

18. Nonetheless, as a basic guide public servants can use the following model which emphasises six actions, namely:

(a) self management;

(b) work planning;

(c) managing the place of work;

(d) controlling external interruptions;

(e) avoiding indecision; and

(f) delegation of work.

(a) Self Management

Before an employee can effectively manage his time, he must first be fully disciplined in managing himself. All *time wasting* habits must cease and be replaced with good new habits. In order to assist the employee to be disciplined in the management of time, he must:

(i) fix time limit in completing a piece of work;

(ii) determine the performance target of daily work;

(iii) record the daily usage of time;

(iv) determine an estimation of an efficient daily usage of time; and

(v) estimate the efficiency of time used, based on the performance target set.

(b) Work Planning

Much time is saved if the work performed is planned. Management experts stress that *every moment spent on planning saves three or four in execution.* In undertaking work planning, each employee must be mindful of four items:

(i) The work plan must be consistently updated;

(ii) The execution of work must be scheduled according to priority;

(iii) Not giving undue attention to trivial problems; and

(iv) Scrutinising the work plan to determine work that can be delegated to lower levels.

(c) Managing Place Of Work

The work place must be well managed in order that work processes are carried out efficiently. This will save time when completing a piece of work. Action taken must include proper office layout and ensuring a good working environment.

(d) Controlling External Interruptions

External interruptions must be controlled in order not to hinder work flow. Such interruptions include visits from unofficial guests for unofficial purposes, unimportant telephone calls and meetings, etc.

(e) Avoid Indecision

Decisions relating to work must be made immediately without procrastination. Failure to make a decision will cause an interruption to other related work resulting in wastage of time. According to the management experts, *the biggest thief of time is indecision.*

(f) Delegation of Work

Officers, especially Heads of Units, can save valuable time by delegating to subordinate officials where appropriate. Time saved can be effectively utilised in attending to important duties that cannot be delegated to others.

Work Ethics in the Public Service

19. By definition, work ethics are moral principle set by an organisation to control the behaviour of its members. Ethics is a form of control to ensure the employee's behaviour conforms to the system of values of the organisation. Through the principles enunciated in the work ethics, an employee will be able to know such conduct that is encouraged and that which is prohibited by the organisation. In general, work ethics are based on universal values which are subsequently adjusted according to the laws of the country, societal value system and specific rules determined by the organisation.

20. For the Public Service, work ethics is a very important element that must be emphasised as each Government employee must have good conduct expected by society. At the same time, they must hold fast to positive attitudes, discipline, integrity, responsibility, and such other norms and values. This is appropriate for public employee in the following capacities:

(a) They are holders of public trust. Therefore, each public servant must be responsible and preserve the public's confidence in his ability to hold their trust;

(b) They are bestowed with extensive powers for decision making through the positions and ranks they hold. Conformity to work ethics will ensure that there is no abuse of power and authority for personal gain.

(c) They possess and are privy to various exclusive Government information. They must therefore not use such information dishonestly for their personal interest.

21. The Public Service Work Ethics is enunciated in various forms:

(a) General Orders (Chapter D) 1980 (Conduct and Discipline);

(b) Guide To Excellent Service. This guide provides seven principles:

* be resolute in improving the quality of work;
* work with the fullest responsibility;
* endeavour to discard selfish attitude;
* work in full harmony and goodwill;
* work towards improving people's thinking and National development;
* cooperating in eliminating weakness and enemies of the Nation; and
* strict adherence to religious teachings.

(c) Rukun Negara The National Principles; and

(d) Public Service Song.

22. In addition, specific services such as the Medical Service, Legal Service, Accounting Service and others have their own professional ethics.

Unethical Behaviour

23. Generally, the conduct or behaviour of an officer is said to be unethical when:

(a) the conduct contravenes National laws and is liable to punishment;

(b) the conduct is in conflict with moral principles and ethics as practised by the society; and

(c) the conduct is not in pursuance of public interest but arises from other pressures such as familial, political, religious or ethnic interests.

Examples of unethical conduct include:

(a) Bribery, offering of gifts, favouritism and misuse of influence;

(b) Acting in conflict with public interest such as doing business for self interest or engaging in other work while holding public position;

(c) The abuse of Government information for personal or family interest; and

(d) Providing exemption from the enforcement of laws to protect personal or family interest.

Conclusion

24. It is clear from the above that our effort has no end. As a developing Nation with a market economy, we must bring about change from time to time in order that we maintain our winning edge. Quality and productivity improvement is important, as we face a more sophisticated and educated society as well as a competitive world society. Quality and productivity are important variables in delivering public services to the economic sectors and consequently supporting competitive strategies.

25. Finally, I must remind you that we serve the Nation. We have chosen the Public Service as our profession. In so doing, the service rendered by our profession to the Nation, can be considered as our pious duty. This means we serve to our fullest ability. We do our best. We must give productive and quality service and be trustworthy. We must carry out our responsibility with integrity and be satisfied with the rewards given.

SPEECH DELIVERED AT THE LAUNCHING OF THE EXCELLENT WORK CULTURE MOVEMENT FOR TERENGGANU—1 JUNE, 1991

THE SETTING UP AND PRACTICE OF ORGANISATION CULTURE

To achieve success, a Government Department should set up and practise a good organisational culture. Studies that have been carried out by management specialists and experts in the coporate sector show that organisations that are successful usually exhibit a similarity, that is, they possess an excellent organisational culture. It is that culture that has given strength and energy to them to meet challenges as well as to adapt themselves to the changing environment.

DEFINITION OF ORGANISATIONAL CULTURE

2. In the context of a Government Department, the term organisational culture would mean the value systems, norms, attitudes and principles which are shared by all the employees. These elements form the basic understanding that controls the behaviour of the employees, the way they think, communicate with one another and interact with the surrounding. As such, a good organisational culture would enable the employees of an organisation to perform their work with excellence and this will finally contribute to the success of the organisation concerned.

ASSIMILATION OF GOOD VALUES

3. To establish a good organisational culture, Government Departments must choose values that would enhance the employee's performance. Accordingly, departments must take steps to assimilate the said values so

that they became the way of life in the departments concerned. Among the values that should be emphasised by a Government Department are integrity, intellectual honesty, neutrality and accountability. I would like to take this opportunity to explain briefly what is meant by these values.

INTEGRITY

4. First is integrity. This value is usually associated with the value of trust, honesty, reliability and always preserving the public interest without taking any advantage for self interest. Any work that is carried out is always done as a sacrifice with full sincereity, without suspicion or envy. This also means that officers and staff who are given powers, whether greater or lesser, should carry out their responsibilities with justice and fairness.

INTELLECTUAL HONESTY

5. Second is intellectual honesty. Officers who are given responsibilities must always adhere strictly to the principle of intellectual honesty when carrying out those responsibilities. This also means they must be honest in administering policies, programmes and Government projects and at the same time be sincere in giving opinions and advice without concealing important information.

NEUTRALITY

6. Third is neutrality. This is one more important value which must be practised and strongly cherised by officers in the Public Service. Neutrality means that an officer does not take side with any interested group. Nevertheless Government officers must view this neutrality from a positive view point. As such, Government officers must always be ready and strive sincerely in implementing all policies, programmes and activities that have been planned by the Government.

ACCOUNTABILITY

7. Fourth is accountability. This value is usually tied up with the responsibility of a person who is involved in financial management funds and assets, through delegation of powers. These powers are actually given to enable Government officers to carry out their duties and responsibilities effectively. These duties and responsibilities also need to be carried out according to procedures, directives and regulations that have been laid down. As such, if a Government officer, whilst carrying out his duties and responsibilities that have been entrusted to him, is found to have contravened any procedures, directives or regulations that has been laid down or has deviated, such an officer may be punished appropriately. On the other hand, recognition, and appropriate incentives will be given to any Government officer who has carried out his said duties well. In other words, excellence in public service will be continuously upgraded and morale will constantly be upheld at all times if Government officers live and adhere strictly to the principles of accountability.

INCREASING PRODUCTIVITY AND QUALITY

8. In the process of building an organisational culture, Government Departments must also give emphasis to aspects of productivity and quality. This is because the success of a Government Department is usually measured based on the level of productivity and ability in producing quality work and services for the public.

9. As such the culture that ought to be set up by a department must also reflect the commitment of its management to increase productivity and quality. This commitment can be shown through the setting up of management systems and work processes that are oriented to productivity and quality. For this purpose, Government Departments should reexamine management systems and work processes that are in practice now in order

to discern the aspects that can be further improved, and, thereafter, coordinate those systems and processes based on sound management principles.

CONCEPT OF PRODUCTIVITY

10. Conceptually, productivity is the value of the output that can be achieved by one unit of input e.g. manpower or capital. As such, the concept of productivity explains the relationship between output and input.

INCREASING OUTPUT AS AN INDICATION OF INCREASING PRODUCTIVITY

11. The increase in productivity of a unit of input can be shown clearly when we make a comparison with the amount of output that is achieved in two separate periods of time.

12. For example, if in one past period of time (time 1) a financial clerk was able to prepare ten payment vouchers in a day, but now (time 2) he is able to increase the number of vouchers to twenty in a day, then his productivity can be said to have increased one fold.

REDUCTION OF COST AS AN INDICATOR OF INCREASE IN PRODUCTIVITY

13. Apart from this, increase in productivity can also be indicated by a reduction in cost. For example, if previously (time 1) INTAN needed to spend $30,000 to conduct a course, but now (time 2) it is able to have three courses at the same cost, then the productivity of INTAN is said to be increased. The savings in cost can also be achieved in various ways, for example, by reducing wastage of resources or by practising good management methods.

METHODS OF INCREASING PRODUCTIVITY

(i) Increasing Output without increasing Input

Departments can increase their productivity in three ways. The first is by increasing the amount of output without increasing input. For example, the Licensing Division of the Local Councils can increase their productivity by increasing the number of business licences, without increasing the staff in that division. This can be achieved through improvements in work methods, proper allocation of duties among the employees and work plans.

(ii) Reduction in time without increase in Input

The second method is by reducing the time for completing a piece of work without utilising additional inputs. For example, the Passport Division in the Immigration Department can increase the producitivty of its counter service by reducing the period needed for attending to an application for a passport. This level of performance can be achieved without increasing the counter staff or equipment, by practising good management methods e.g. using checklists, use of standardised forms and proper counter arrangement, the same result can be achieved.

(iii) Reducing the cost in achieving certain output

The third method is by reducing the cost of achieving a certain output. For example, the Workshop Division of the Public Works Department can reduce the maintenance cost of Government vehicles by planning the work that needs to be carried out. Work planning can help to achieve optimum utilisation of resources and at the same time avoid the possible increase of cost arising from mistakes in carrying out repairs to vehicles or mistakes in the purchase of spare parts to be used.

FACTORS WHICH AFFECT THE PERFORMANCE OF AN ORGANISATION

14. To increase productivity, departments must give attention to six factors which directly influence the performance of a department. These factors are technology, materials, human resources, the structure of an organisation, stores and equipment and work methods.

(i) **Modern Technology**

Departments can increase their productivity by introducing modern technology such as computers, fascimille machines and photostating machines in their administration. The utilisation of this technology will speed up work and eliminate mistakes.

(ii) **Materials**

A department must also ensure that the quality of materials utilised as input is always guaranteed. Utilising quality materials will eliminate wastage of resources and will increase productivity.

(iii) **Human Resources**

Departments also need to develop human resources in various ways e.g. by conducting training, increasing motivation and so forth. This will enable workers to increase their output.

(iv) **Organisational Structure**

The productivity of a department can also be increased by establishing a flexible organisational structure. A flexible structure will facilitate a department to adapt its operation in line with changes in its environment so as to make its work more efficient.

(v) **Stores and Equipment**

A proper management of stores and equipment will reduce the probability of downtime resulting from breakdown. This will enable the optimum use of the stores.

(vi) **Systems and Work Procedures**

To increase productivity, departments must also update their systems and work procedures. This will enable work to be carried out expediteously and smoothly.

QUALITY MANAGEMENT

15. Apart from emphasising the aspects of productivity, Government Departments must also give importance to quality management. This is because the objective of a department is not only to produce output and services but also to ensure that the output and services is really required by the public and benefit them.

DEFINITION AND CHARACTERISTICS OF QUALITY SERVICE

16. Quality means meeting customer requirements. As such, to achieve quality services, a department must identify the characteristics that are considered important to the public who are their customers. Usually the characteristics that are considered important include: responsiveness to the requirements of the public, quick service, courtesy, reliability, consumer safety and accuracy. Government Departments must ensure the output and services always exhibit these characteristics so that their products will be well received and appreciated by the public. Government officers should

also be aware of the different types of services or output needed or desired by customers. This information can be obtained through surveys, inteviews with customers or by receiving feedback through the newspapers or other mass media.

MIND SET WHICH IS CUSTOMER ORIENTED

17. The ability of a Government Department to produce output or quality service is very much dependant upon the mind set of its staff. This factor is responsible in influencing the behaviour of an employee whilst on the job, for example, the way he thinks, his work priorities, the rationalisation for a decision or an interaction with a customer. Because of that, departments must strive to create a mind set which is customer oriented in all their employees. This will make their employees more committed to the main objective of the department which is to increase customer satisfaction.

18. In order to achieve this objective the department must encourage its staff to apply management practices which increases customer satisfaction. For example, employees must be encouraged to complete their work speedily without defering them.

19. Apart from that, decisions involving the public must be expedited for example, approvals for business licences, permits and so forth. This is because the public in their dealings with the Government Departments expect timely service. They will feel angry if the service that is rendered is delayed, what more if they are compelled to come on numerous occassions for a service to be completed. A piece of work can be completed speedily if the employee concerned is able to manage his time properly. This means that Government Departments must also emphasise aspects of time management and eliminate time wastage due to unproductive work.

ACTION IN BUILDING THE MIND SET

20. Government Departments can assist their employees in creating a mind set which is quality oriented by carrying out four important actions simultaneously. These actions are to provide training, to formulate a quality policy, to establish slogans on quality; and to organise a quality day.

(i) **Training Programme**

Through in-house training programmes, departments can create an awareness among the employees of the importance of their fulfilling the requirements of their customers. The employees can also be taught by examples regarding the ways of increasing the quality of their services and at the same time assimilate personal characteristics that would be appreciated by the public.

(ii) **Quality Policy**

Through a quality policy the department will be able to enunciate to every level of its employees, regarding the direction and its objective of the organisation's quality management. This will facilitate the employees to understand and analyse those policies which can guide their work. This policy will reduce confusion among the employees when they coordinate their own actions and decisions with that of the main objective of the organisation.

SLOGANS ON QUALITY

21. Formulation of slogans on quality is an effective strategy for enhancing the employees' understanding of values that are considered important by a department. This understanding will encourage them to practise these values in their daily work. Departments can formulate slogans that are appropriate both to the kind of work and service performed as well

as to the customer. Examples of these slogans are phrases such as "Quality is our Tradition", "Excellence in all our Work" or "Total Customer Satisfaction".

22. Organising a Quality Day is one strategy which can foster awareness and commitment among the employees regarding quality. Events that can be organised in a celebration are pledge-taking ceremonies, oaths, award giving ceremony, seminars and so forth which are aimed at assimilating quality culture values which are desired by the department. The practice of these values will enable the staff to work in line with the objective of the department.

AWARD FOR PUBLIC SERVICE INNOVATION

23. To bring about improvements and administrative reforms in the Public Service, Government Departments need to have work environments that will encourage creative and innovative efforts among their workers. For this purpose, the Government has introduced the Public Service Innovation Awards. This award is a form of recognition to an organisation which has or a worker who has successfully introduced an administrative innovation in any aspect of work. To receive this award, every innovation will be evaluated from the viewpoint of reduction of operational cost, time saving, increasing work output and increasing the level of customer satisfaction.

INNOVATIVE AND CREATIVE MECHANISMS

24. To encourage innovativness and creativity in an organisation, every department should establish definite mechanisms for encouraging and receiving suggestion from employees and customers.

25. These mechanisms include a Suggestion System, Customer Feedback System and Quality Control Circles (QCC).

(i) **Suggestion System**

Under this system, the departments must encourage their employees to give their ideas for improving the performance of their organisation. Every idea received from an employee must be evaluated in depth and implemented, if found suitable.

(ii) **Feedback System**

The Customer feedback system is aimed at obtaining information from the customers regarding the level of the quality of service provided by the department. This information can be utilised to improve the service concerned.

(iii) **Quality Control Circles**

The establishment of Quality Control Circles is aimed at providing opportunities for workers to participate in efforts to increase quality and productivity. These Circles can be used to resolve operational problems faced by the department.

SPEECH DELIVERED AT THE 'Q' CONVENTION AT THE ISLAM CENTRE, KUALA LUMPUR —18 JUNE 1991

Promotion

A promotion is a happy event, not only for the officer being promoted, but also for those who have been instrumental in giving the promotion. For the Head of Department, instrumental in recommending the promotion, it constitutes a concrete action of giving appreciation for outstanding performance which has benefited the department as a whole. For the recepient of the promotion, it has even more concrete benefits such as an increase in salary, allowances, increase in status as well as other perks.

2. You must be proud of your achievement because promotion in the Civil Service is no longer considered on the basis of seniority. It is certainly not an automatic process. It is an evaluative judgement. At least eight people are involved in this evaluation, two Reporting Officers and an Evaluating Officer, and five members of the Promotion Board. Therefore, if one is promoted, one is fortified with the feeling that one has been properly evaluated.

3. However, it behoves the officer who has been promoted to perceive the promotion not only from the view of a rise in rank and increased authority, but also from the point of view of increased responsibility and accountability. Increased responsibility comes from the increased authority and ability to influence decisions affecting the department. The rise of an officer from the rank of say a Deputy Secretary-General to that of Secretary-General of a Ministry constitutes more than a mere rise in rank. It marks the shouldering of the mantle of such important responsibilities as the Controlling Officer for the Ministry's funds, as well as the bestowal of

several important powers either by statutes or through administrative delegation. What may constitute a single step up the ladder of promotion could represent a major increase in overall responsibility and accountability. Thus, you should not take your promotion for granted as just another event which entails increased rewards and status, but accept the promotion with gratitude. We, in the Civil Service, should perceive promotion as an honour and a trust placed on us by our superiors to better lead the department to contribute to the advancement of the department, the Service and through these, the Nation. The opportunity to serve the Nation and to influence the course of the Nation's history are motivating factors, which I believe, would continue to attract and retain good people in the Civil Service. According to a school in motivation theory, the real motivators which contribute to employee satisfaction are such factors as recognition, responsibility and more challenging work.

Productivity

4. I would like to touch on the question of performance both of the department and the individual officer. In the past, departments and individuals have not been subjected to vigorous performance tests and reviews. We must now measure the individual officer's performance on a more scientific basis. For example, the performance of a District Officer can be based on the number of successfully completed development projects in the district in a given year. We must also measure the performance of a department based on its stated targets. For example, the Registry of Business can be evaluated based on the time taken to issue business licences. The stress is on **productivity**. I will soon be issuing a circular which will provide the guidelines for the measurement of productivity of departments and individual officers. The elimination of unproductive practices may be an

immediate opportunity for major improvements of productivity. We must eliminate unproductive practices and types of work which prohibit or make difficult a high level of productivity. Specifically, they refer to rules, regulations, requirements or simply traditional operations that present roadblocks to effective work or impede increased productivity.

Discipline

5. The role of public agencies is clearly spelt out in **Chapter One** and I quote:

> *"Departments have been created with specific functions to implement policies of Government. Therefore it is the responsibility of Departments to implement policies and programmes that have been formulated by Government in a smooth and satisfactory manner. Consequently it is the bounden duty of Departments to discharge their functions quickly and satisfactorily without unnecessary utilization of resources, time and expenditure".*

6. Government Departments must discharge their responsibilities within the parameters of the mandate and delegated authority as defined by the Government, and in accordance with the basic principles of integrity, loyalty and honesty. Permit me to reiterate some of the salient features pertaining to the conduct of public servants as spelt out in **General Orders Chapter D**. Every public servant must at all times:

(a) Discharge his/her duties efficiently, sincerely and responsibly;

(b) Put public interest before personal interest; and

(c) Protect the image of the Public Service.

7. The development of a culture of excellent performance requires a **disciplined approach**. Discipline on the part of the individual public

servant is critical to the development of a culture of excellence. By **self-discipline,** I mean not just obedience to rules and regulations, but the training of oneself to control one's habits, actions and desires. We must not only discharge our duties in an efficient and effective manner within the parameters of our delegated authority, but must at all times be committed to learn, develop and improve our knowledge and skills in the quest for quality. A nation that is composed of individuals, constantly and consistently striving for excellence in whatever the endeavour, will most certainly achieve progress and advancement.

Productivity and Quality

8. The Civil Service must consistently bring about improvements and changes. We have introduced the "Red Book" system for development planning, monitoring and evaluation; One-Stop Payment Centres to provide service to the public; One-Stop Agencies to facilitate business and investment and a whole host of other measures to upgrade the provision of services. We have practised an open administration in order to obtain feedback and this has been operationalised through such mechanisms as the Malaysia Incorporated Consultative Panels and the Public Complaints Bureau. Civil servants are now more approachable and are service-oriented. Civil servants have all along been highly conscious of the dangers of corruption. The laws, rules and regulations relating to anti-corruption have helped to keep corruption under control in the Civil Service. Compared to the public services of other nations, the Civil Service of Malaysia has withstood the test of time and has proven its mettle in providing the **winning edge** to the Nation's development. The Civil Service should build on these strengths by now placing emphasis on **productivity and quality** in order to develop a National competitive spirit. Poor quality work is an example of disproductivity. Poor quality work requires extra man hours of effort to check, inspect and audit. The better the quality of work built into the process

in the first place, the fewer checks and audits necessary. Work improperly done and errors made usually mean that man-hours of related work are wasted-man-hours lost for work done preceeding the error and work added afterwards.

9. The important thing is to work on removing unproductive practices. In many departments, it is not very difficult to find such areas, provided there is a commitment by the departments to at least identify potential areas of unproductive work, even if some represent some very sacred cows. For a start, I would like Heads of Departments to review the Desk Files and Manual of Work Procedure of the officers below them and to find out from them the sources or reasons for any unproductive practice.

Malaysia Incorporated

10. Within the context of Malaysia Incorporated, the Civil Service and the private sector will need to have a closer working relationship that fosters a strong sense of commitment to National development. The Civil Service must:

(a) Review existing rules, regulations and procedures to expedite decision-making and work processes;

(b) Establish criteria for decision-making in order to reduce discretionery powers and enable predictable, objective and transparent decisions;

(c) Provide more efficient counter-services to facilitate business activities; and

(d) Review the existing business and Commercial Licencing System in order to reduce duplicity and remove redundant licences and permits.

11. Consultative Panels comprising public and private sector representatives had in the past concentrated mostly on efforts toward streamlining Government rules and regulations and procedures related to business. They would now need to increasingly focus on:

(a) Developing skills centres for manpower needs of the public and private sectors;

(b) Productivity improvements and Quality assurance issues; and

(c) Attachment and training programmes for public servants in the private sector.

12. The *modus operandi* for a meaningful public-private sector collaboration must be forged within a consensual framework. There must be more extensive sharing of information, particularly commercial and marketing intelligence in order to keep abreast with the fast changing demands of the global market. This dynamic public-private sector collaboration must necessarily permeate to all levels of interaction and be consistently supported by a strong sense of commitment by Heads of Departments. Subject to certain conditions, the private sector should also be allowed to give recognition in the form of an appropriate incentive to Government Departments which have shown quality work. I will be issuing guidelines on this as soon as possible.

Core Values of The Civil Service

13. In its journey towards the development of a culture of excellence, the Civil Service can fall back on its traditional core values to provide the framework and foundation. These core values are namely; neutrality, intellectual honesty, accountability and integrity.

Neutrality

14. The Civil Service has maintained its **neutrality** by serving the Government of the day in a dedicated and loyal manner, implementing the policies and programmes of the Government, irrespective of our personal preferences and judgements. Thus far, the Civil Service has amply demonstrated this moral discipline in implementing the decisions of the Government. We must continue to uphold this tradition of neutrality. As such, I expect public servants in Group A not to get involved in partisan politics as prescribed by the General Orders. At the same time, they are also prohibited from engaging in business activities.

Intellectual Honesty

15. We must also continue to maintain and uphold our **intellectual honesty** in the exercise of our responsibilities. Our honesty in providing advice and opinions to the Government on matters of policy, programme and projects in an **objective manner** must be maintained at all times. The practice of this intellectual honesty must also be clearly demonstrated in the production of reports and research for the Government.

Accountability

16. Accountability is defined as the obligation to give answers and explanations concerning one's actions and performance to those with a right to require such answers and explanations. Accountability thus means that civil servants must:

(a) Remain continually accountable in an honest and accurate manner for their actions to the relevant authorities;

(b) Act in a competent and effective manner to achieve set purposes and produce desired results; and

(c) Use public funds entrusted to them for authorised public purposes, not for their own gain or the private gain of others.

17. In short, we as civil servants have an obligation to carry out our assigned activities in a responsible and responsive manner and will be held answerable for success or failure. We in the Civil Service have successfully inculcated this ethos of accountability, and we must continue to uphold this tradition. Heads of Departments must therefore view with concern the observations of the Auditor General, the Public Accounts Committee of Parliament and the Cabinet Committee on Government Operations as they relate to their departments. Where remedial action is recommended, you must take action immediately to redeem the honour and pride of your department.

Integrity

18. Integrity is a core value in the Civil Service. By integrity I mean such values as honesty, trustworthiness, sincerity and loyalty. A sense of solid, unwavering integrity is a personal quality highly regarded in the Civil Service. The higher a person moves up in the Civil Service, the more important it is for his peers and superiors to feel they can depend on his words. There are a number of very practical reasons why integrity is so important as you move up the hierarchy. If you are going to entrust a person with increased responsibilities, you have to be able to count on him. This presupposes your trust and belief in him. **Honesty** is one of the most important facets of personal integrity because the Government wants to be able to trust your advice and judgment.

Corruption

19. The public must never be at the mercy of corrupt officials. I am proud to state that civil servants in Malaysia have demonstrated high personal

integrity. However, I need to remind the few who are prone to temptation that the **Prevention of Corruption Act 1961** defines corruption, as follows:

> *"to receive or give whatever gratification as an inducement, reward or incentive to do or not to do an act".*

20. Under the Act, a corrupt practice means the acceptance of gratification or the misrepresentation or falsification of documents.

21. The **Penal Code (F.M.S. Cap 45)** also contains provisions of offences by, or relating to public servants, namely:

(a) Public Servants taking gratification, other than legal remuneration, in respect of an official act. (Section 161).

(b) Taking a gratification in order, by corrupt or illegal means, to influence a public servant. (Section 162).

(c) Taking a gratification for the exercise of personal influence with a public servant. (Section 163).

(d) Public Servant obtaining any valuable thing, without consideration, from person concerned in any proceeding or business transacted by such public servant. (Section 165).

(e) Public servant disobeying a direction of the law with intent to cause injury to any person. (Section 166).

(f) Public servant framing an incorrect document with intent to cause injury. (Section 167).

(g) Public servant unlawfully engaging in trade. (Section 168).

(h) Public servant unlawfully buying or bidding for property. (Section 169).

22. The **Emergency (Essential Powers) Ordinance No. 22, 1970** provides under Section 2(1), the use of public position or office for pecuniary or other advantage as a corrupt practice liable for punishment.

23. From the above provisions of the law which I have enumerated, corrupt practices in the Public Service can be generally categorised as follows:

(a) Bribery, graft, patronage, nepotism, influence- peddling;

(b) Conflict of interests including activities such as financial transactions to gain personal advantage, outside employment during tenure in public service;

(c) Misuse of inside knowledge for personal gain; and

(d) The use and abuse of official position for private purposes.

24. I have mentioned all these to remind civil servants of the hardships that will befall them and their families if they are found to be corrupt. It is, therefore, imperative that all civil servants must at all times adhere to the highest level of integrity and honesty.

Professionalism

25. The internalisation, and hence, the practice of the core values that I have just enumerated would bring about **professionalism** in the Civil Service. The Code of Ethics enumerates the behaviour and conduct expected of a group of professionals. The responsibilities of professionals, be they doctors, engineers or accountants, are enshrined in the code of ethics of their respective professions. The Code of Ethics reveals what the profession thinks of itself and its place in society. The **Civil Service Code of Ethics** which we have all pledged to uphold, does the same.

26. Professionalism also means acquiring the highest competency in the knowledge and skills required of a job. Only then can you deliver the quality goods and services expected of you. This is the litmus test of professionalism. However, to maintain the high level of professionalism you need to constantly strive for excellence by engaging in a **life-long learning process**. This can only be achieved by a thirst for knowledge. The primary means of building knowledge must necessarily be through the cultivation of a **reading habit**.

Rules and Regulations

27. A Society without rules and regulations to ensure social discipline is a society in a state of anarchy. These rules and regulations provide the basis for social order and harmony within the society. These social regulatory laws and system form the basis of the society's code of conduct which is the very essence of its values, norms and beliefs. The creation or establishment of the code of social conduct in a democratic society is determined by popular agreement and consensus of members of the society. Conformity to these consensual norms, values and beliefs is crucial for the society's continued existence as a living entity. Conformity to the established rules and regulations requires social discipline. It is this social discipline that holds society together and allows it to grow in strength and thrive. The lack of social discipline will render society's collapse and eventual disintegration.

28. Similarly, departmental strength depends on discipline, in the commitment of officers and staff of the department to norms and values derived from rules and regulations, while striving to achieve departmental goals. Rules and regulations seek to enforce discipline amongst officers. The code of conduct for civil servants is prescribed in **General Orders**

Chapter 'D' 1980. It is imperative that Heads of Departments must be firm in ensuring that errant staff members are dealt with appropriately each time and every time, in order to affirm the Civil Service's commitment to enforcing discipline. Research on discipline shows that action should be taken immediately to correct the problem of indiscipline, match the severity of the punishment to the severity of the offence and ensure that the staff see the link between the punishment and the undesirable behaviour.

29. The seriousness in the need for the Heads of Departments to enforce disciplinary action is clear. For this reason, the Government has entrusted the powers to enforce disciplinary action on public servants to 8,000 Disciplinary Boards instituted in each Federal Ministry and Department. This is to allow Heads of Departments to institute appropriate disciplinary action on erring civil servants under their jurisdiction accordingly. It is also to enable the expeditious disposal of disciplinary functions through direct and immediate controlling powers. These Boards do not include the various services under the State Civil Services, Statutory Bodies and Local Authorities' which have their own Disciplinary Boards. These Boards would be rendered useless if the disciplinary powers bestowed on Heads of Departments are not effected. Heads of Departments are expected to exercise that power firmly and courageously without fear or favour according to the prescribed legal principles and regulations.

30. I must remind that Paragraph 22(2) of the General Orders Chapter 'D' provides that the failure to report indiscipline is construed as having done wrong for being inefficient and is in itself liable for disciplinary action. The lack of firmness in enforcing discipline reflects the ineffectiveness of leadership and responsibility. Such callousness can lead to the eventual erosion of powers of the Heads of Departments and allows indiscipline amongst subordinates to be widespread.

31. It would be pertinent for me at this juncture to list some of the important circulars and directives pertaining to the observance of a strict disciplinary code in the Civil Service. They are:

(a) **Service Circulars No. 3 and 4 of 1981, and Service Circular No. 3 of 1982 and Service Circular No. 3 of 1984** requiring officers and staff to report on the acquisition of movable and immovable assets.

(b) **Service Circular No. 10 of 1984** which provides the procedures and actions with respect to Government officers and staff involved in drug addiction.

(c) **Service Circular No. 2 of 1985** which provides the guideline on public statement by public officials.

(d) **Service Circular No. 2 of 1985** which provides the guidelines on dress code for office and official functions for Government officers; and

(e) **General Circular No. 11 of 1981** which provides the instructions for the use of the punch card system.

Personnel Development

32. Heads of Departments must ensure that the right directions are given and the right environment prevails within the organization which is conducive to the staff to give off their best. The Head of Department should ensure that sufficient attention is paid to staff development through training, motivation and management support for the staff to perform at peak levels. Welfare considerations should also be given the necessary attention. The Public Service has provided for a system of reward and recognition for excellent service through **General Circular Letter No. 2 of 1983**—Guide

for Implementing Rewards for Excellent Service; and **Service Circular No. 5 of 1990**—Monetary Incentive based on Merit. Recently, I have also introduced the **Development Administration Circular No. 3 of 1991—Public Service Award for Innovation** which provides for a system of recognition and reward for innovation in the Public Service. This represents our continuing efforts to motivate public servants. People must be treated as our most valuable **asset**; and therefore, efforts must be taken to improve and upgrade this critical resource. As such, Heads of Departments must constantly be on guard not to allow any deterioration in this invaluable asset of the departments.

Time Management

33. Time is one of the most critical resources of any agency. Time in which to undertake a piece of work and timeliness in completing the task are major considerations in any work situation. Wastage of time by officers and staff in any department can result in significant loss to that department. For instance, let us take the case of 10 staff members in a department who each wastes 30 minutes of time per day. This could happen if each staff member spends say 15 minutes on breakfast and 15 minutes to prepare for returning home or on personal phone calls. This can amount to the loss of more than 5 working days per month to the department. If these staff members earn in the region of $2,000 each per month, this is tantamount to an undetected loss of about $300 per month to the department. Perceived thus, we can realise the significance of the loss if each staff member in a department were to waste a few minutes in a day. Time-consiousness is, therefore, one of the fundamental values which should be inculcated in our officers and other staff and departments should strive to eliminate unnecessary time wastage.

34. Timeliness is another concept which must be emphasised. Failure to complete work within the time-frame given can lead to immense losses in terms of money as well as in terms of the benefits to be accrued on completion of the project. This is particularly critical in terms of development projects being implemented by the Government. Delay in project completion will incur extra losses to the Government in terms of payment of workers' salaries and other implementation costs. At the same time, the recipients of the benefits from the completed projects are also deprived of these benefits. In some situations, timeliness is critical to avoid break-down in decision-making processes and can even spell the difference between success and failure. Heads of Departments must see to it that applications for licences, permit, etc. are speedily attended to. A decision must be made in good time.

35. Time is a precious commodity, more so for the busy officer who has many demands being made on his time. Time management is a basic skill which must be mastered by all officers. In mastering this skill, one of the first steps that we must take is to chart out in detail how our working day is spent and what are the events which lead to wastage of time. **Alec Mackenzie** in his book "**The Time Trap**" has identified several time-wasters such as the following:

(a) Lack of planning of work schedule;

(b) Lack of prioritisation of work;

(c) Unnecessary meetings;

(d) Unnecessary telephone calls;

(e) Unnecessary or unscheduled visitors including social callers;

(f) Disorganised paperwork;

(g) Lack of delegation; and most importantly

(h) Procrastination.

36. Fortunately, time management is a skill that can be learnt and applied easily. An officer's skill in managing time can be improved greatly by such measures as the following:

(a) Identifying priorities;

(b) Learning to differentiate between work that is urgent and work that is important and giving priority to the most important work;

(c) Avoiding unnecessary meetings being called by others and learning to organise meetings which are more time-effective;

(d) Delegation of work;

(e) Screening out unnecessary telephone calls and visitors; and

(f) Avoiding procrastination.

37. An officer who has mastered the skill of managing his own time will be able in time to assist others, such as his subordinates and peers, to become more time-conscious as well.

Conclusion

38. I have dealt at length on the ethical and cognitive basis for the development of a culture of excellence, as I believe strongly that the Public Service can most certainly continue to provide the winning edge to enable us to achieve the objective of a fully developed Nation. The framework and the foundation for building this competitive spirit is in place. It is for you, as the future leaders of the Public Service, to make it a lasting reality.

SPEECH DELIVERED AT THE LAUNCHING OF THE BOOK "OUR MALAYSIA" AT INTAN, BUKIT KIARA, KUALA LUMPUR—13 JANUARY 1992

This book "Our Malaysia" will replace the book "Our Nation" which was published in the year 1980 and was, for long, the main reference material for Public Examinations. "Our Malaysia" contains two main parts. Part one which comprises sixteen chapters details out the historical background of the Malaysian Society, whereas the focus in Part Two, which also comprises sixteen chapters, is an indepth coverage of the structure and administrative machinery of the Nation, from the Independence period to the present.

2. Confucious stated "**Study the past if you would divine the future**". This statement shows us the importance of understanding the historical development of our race and Nation. "It is through the understanding of history that we can build up goodwill and harmony and the future well-being of our Nation. A Nation without history is a Nation without culture".

3. "Our Malaysia" also highlights the personalities of various Malay nationalists such as Tun Perak (Melaka), Mat Salleh (Sabah), Rosli Dhoby (Sarawak), Tunku Abdul Rahman Putra, Tun Abdul Razak and other National leaders, so that the present as well as future generations will be able to follow their footsteps and inherit their spirit of nationalism. An Arab proverb states "Imitate those who have achieved success if you are unable to achieve on your own. Imitating the successful is a success in itself".

4. Under the New Remuneration System (NRS), from 1.1.92 it is compulsory for officers newly appointed to categories A and B of the old system, to undergo and pass an Induction Course as part of the requirements for confirmation. This Induction Course will replace the existing Public Examination and *"Our Malaysia"* will be used as the main reference.

5. Examinations can assist in evolving officers and other staff members who have a good grasp of Government policies, are loyal to the Nation, knowledgeable, and possess skills and positive attitudes in discharging their duties. Among the courses and syllabi are the following:

(i) *Induction Course*

An Induction Course has been introduced under the New Remuneration System for the various schemes of service. This Course is aimed at instilling common values in the form of positive and proactive values among Government officers and employees newly appointed to the Government Service. This will be done through a test which they will undergo during the course and their appointment to the service will depend on the successful completion of the course.

(ii) *Administrative Development Circular*

The Government has recently issued twelve circulars on Administrative Development to be implemented by all officers and staff of the Public Service. To ensure that all Government officers take these Circulars seriously, the contents of these Circulars have been made part of the syllabus for future examinations and also part of the curriculum for the Induction Course for all levels of officers. This is aimed at testing the extent to which Government officers have been able to internalise the contents of these Circulars.

(iii) *English Language Course For Further Degrees*

In 1991, a new policy was brought into effect for Government officers who wish to undertake courses at the Masters and Doctorate levels. Under this policy, an applicant needs to pass an English Languange test among others before being considered for

receiving a scholarship for further studies. In line with this new policy, beginning from 1992, the Public Services Department will conduct English Language Tests twice a year, as indicated in the Public Examination Calender for 1992.

(iv) *The Element of Discipline in Examinations*

To ensure that Government officers are aware of the importance of good personal conduct when discharging their daily duties and when dealing with the public, discipline among civil servants is emphasised. This emphasis has been shown by the launching in 1991 of four guide books on the administration of discipline. To ensure that public officers and staff are aware of the conduct required of them as Government officers, every level of officers and staff from the Managerial and Professional Group to the Support Services Group is tested on disciplinary matters especially on Chapter D of the General Orders, as part of their service examinations.

6. This book "Our Malaysia" is not only meant for those taking the Public Examinations or the participants of Induction Courses. It is also suitable for members of the general public who wish to know more details about Malaysia. The book is also very suitable as reference material for schools and other higher educational institutions. I believe that if this book were to be translated into English, it will be saleable internationally. I would like to request all public officers to read this book especially in the light of the words **Arnold J. Toynbee**, a noted historian, "We can better understand our times through a study of the past".

7. Senior civil servants must resolve to read at least one good book a month. This is very important for developing your mental faculties. You may be conscientious and very intelligent, but you need knowledge to

assist you in decision-making and a world view of things and good books can be of great help. A person who reads widely will have depth in his thought and will possess what is called the trained intuition which is very helpful in decision-making. A poor appetite for good books eventually leads you to intelectual malnutrition. We should, of course, be as careful in the books we read as we are of the company of friends we keep. There are obvious benefits of reading good books. If we do not read, our brain will suffer from chronic unemployment. The benefits are many; our command of the language will improve. Language, it is said, is the dress of thought as every time an officer talks, his mind is on parade. Your mind will also become incisive. You can become a wise man. A wise man reflects before he speaks; a fool speaks and then reflects on what he has uttered. Some books have the overall effect of nurturing you to think right and act right. It is what you think and do that make you what you are.

SPEECH DELIVERED AT THE SPECIAL MEETING OF SENIOR GOVERNMENT OFFICIALS ON THE NEW PERFORMANCE APPRAISAL SYSTEM AT PANGKOR ISLAND, PERAK —20 APRIL 1992

We must accept the proposition that we cannot achieve much success in our effort to improve and develop the Public Service, unless we give greater focus and attention to the Human Resource Management System or Personnel Administration. This would include Wage and Salary Administration, Manpower Planning and Size of the Public Sector, Job Classification, Training and Career Development, Discipline, Performance Appraisal and others. The Performance Appraisal System is now a crucial area for further analysis and review as it critically affects the performance, competencies, welfare and career development of our personnel.

NEW PERSPECTIVES

2. It is now very necessary and urgent for us to review and institute a new Performance Appraisal System for the Public Service. There are two major reasons that render this review exercise very important indeed, viz.

(a) the need to adapt and contribute to the policies and requirements of the New Remuneration System (NRS); and

(b) the need to eliminate or improve upon the weaknesses of the current Performance Appraisal System.

3. The Performance Appraisal System must certainly be in alignment with the structure of the New Remuneration System. At the same time it must contribute to and complement to the programmes for improvement and

development in the Public Service which include the provision of quality service; the inculcation of positive values such as integrity, diligence, accountability; the call towards improved productivity; professionalism; the emphasis on client or customer service; the simplification of bureaucratic rules and procedures and removal of red tape.

4. The goal of any performance appraisal is to improve the overall efficiency and effectiveness of the organisation. Performance Appraisal provides data about an employee's past and present performance which forms a basis for a systematic evaluation for appropriate personnel functions such as promotion, transfer and training. In the past much has been said about the appraisal system in the public sector where performance appraisal has been viewed as a routine exercise rather than as a management tool to measure performance. It was further viewed that the current Performance Appraisal System is of limited application, mainly utilised for the promotion exercise and the annual salary increment for affected personnel. No significant attempt has been adequately made to link the appraisal system to the wider personnel management function (eg. training, honours and awards, placement and counselling) and to the overall development administration movement in the Public Services. The present system needs to be changed. There is a need to inject a more comprehensive and developmental perspective and purpose to the appraised system.

THE NEW REMUNERATION SYSTEM

5. The Cabinet Committee New Remuneration System (NRS) which came into effect on 1st January 1992, reaffirms the Government's commitment on the *merit* system in the Public Service. Consideration for promotion, salary increments, training, placement of officers are to be based on performance

in the job and contribution towards the organization and the Public Service. Performance is chiefly evaluated on the productivity and quality of work.

6. The NRS gives due recognition to the relationship between performance and the system of rewards and remuneration. The relationship between performance and financial reward has been built into the system. This seeks to ensure that excellent personnel are rewarded accordingly. Salary movement or progression may now move in four directions, that is, static, horizontal, vertical and diagonal. Dynamic performers will move diagonally and enjoy double annual increments compared to that of average performers. On the down side, poor performers will not be rewarded and receive no salary increments for a particular year. Salary progression whether static, horizontal, vertical or diagonal is correlated to the performance of the achiever whether unsatisfactory, satisfactory, good or excellent. The NRS provides a competitive system where it allows for rapid progression for 5% of total personnel, assessed to have produced good and excellent performance. This incentive is a concrete manifestation of our commitment to meritocracy. This new provision however has been viewed by some quarters with much excitement and consternation.

7. It is therefore important that a new and effective Performance Appraisal System be created. It must be a system which is fair, objective, acceptable, reliable, accurate, and transparent. The integrity of the system must be beyond question, for we realise that a reliable and fair system will contribute significantly to the development of a motivated, competent and excellent Public Service. On the other hand, failure to recognise objectivity, accuracy and impartiality will lead to cynicism and be counter productive.

WEAKNESSES OF PRESENT APPRAISAL SYSTEM

8. There are certainly many weakness in the present system amongst these are:

(i) Some of the criteria of evaluation are considered to be irrelevant to the current management paradigm and current needs of the Public Services. The existing system does not give a more appropriate weightage and does not adequately cover certain critical criteria in detail, such as the evaluation of performance and work output, the quality of work, productivity, innovation and creativity, managerial skill, leadership ability and professional competence. The system does not adequately focus on the meaning of appropriate attitude, values and approaches towards work. The present performance appraisal format does not adequately capture the values regulating the conduct and behaviour of public servants as enunciated in the Public Service's Code of Ethics and Values. Public Services personnel now have a formal definition of values and ethics; the one defined as ". ...a set of beliefs to motivate individuals and institutions to act in conformance to patterns of behaviour based on the core values which are acceptable to the society at large..." and the other as "... a sense of responsibility, decency and morality..".

The core values that should be upheld by Public Service's personnel are:

(a) Trust;

(b) Responsiblity;

(c) Sincerity;

(d) Moderation;

(e) Dedication

(f) Diligence;

(g) Clean Conduct;

(h) Discipline;

(i) Cooperation;

(j) Honour; and

(k) Gratitude.

(ii) Currently the performance appraisal is done on an *annual* basis, that is, after the end of the calender year. Thus, the Reporting Officer tended sometimes to overlook the strength and weakness of the officer reported upon over the entire year. Appraisal made are mostly reflective of very recent performances prior to reporting time. Some important contributions and behaviour in the earlier part of the year many thus be overlooked or ignored. In such circumstance, the Annual Appraisal made is not accurate and it does not reflect the actual performance of an officer. It is therefore important that appraisal be made at a more regular interval. This will also ensure a continuous commitment to produce excellent performance.

(iii) The integrity of the system is further questioned when complaints are made that supervising officers and Head of Departments neglect to perform the annual appraisal exercise. In some cases, the appraisal is made after a lapse of 2 or 3 years, and only after stern remainders are made by the Public Services Department. This practice is certainly unfair to the personnel affected.

(iv) Despite the circular and guidelines issued by the Public Services Department, there were found to be occassions where the Reporting Officer, the Evaluating Officer and the Head of

Department were not the proper authorities to make the performance appraisal. The personnel evaluated therefore were appraised unfairly as those who wrote the report were not the proper authorities nor were in close supervision of their work.

(v) Reporting Officers and Head of Departments regard the writing of the annual confidential report as a routine function and not as an essential function of management. This attitude prevails especially where the appraisal exercise does not involve the promotion of the officer to be appraised. We must certainly correct this attitude. The performance appraisal process must now be regarded as an important instrument of personnel management and career development of personnel. It shall not only be a function for a promotion exercise and salary increment but must necessarily be an essential management tool for personnel career development, job assignment, counselling, training and merit awards.

9. The elaboration of those apparent weaknesses highlights the need for us to take steps to improve existing Performance Appraisal System. There are many things that can be done.

AGENDA FOR REFORM AND IMPROVEMENT

10. We need to review the critical factors to be evaluated. The new format must now focus on the crucial factors which differentiates an excellent performer from a mediocre. These include:

(a) Quality;

(b) Productivity;

(c) Discipline;

(*d*) Innovativeness/Creativity;

(*e*) Professional Competence;

(*f*) Contribution to service;

(*g*) Personal traits;

(*h*) Values and ethics, as elaborated.

11. The performance evaluation exercise must certainly be done on a periodic basis. There is now the need to closely supervise the performance of officers on a sustained, regular and frequent basis. To write a good and accurate annual report, it is necessary to look at interim performance reports which are done either on a quarterly or a half yearly basis. This is regarded important as the career path of an officer will now have to depend on his confidential reports. Mistakes done can now lead to more everlasting effects.

12. The officer concerned must clearly know who are their Reporting Officer, and the Evaluating Committee writing his appraisal report. He must clearly understand his responsibilities, programme targets and expected performance. This system entails open communication and close interaction between the supervisor and the subordinate.

13. The officer needs to know clearly the system adopted for the grading and evaluation of each critical factor. As an example, the officer must know;

(i) the indices of good Quality work;

(ii) the performance measurement;

(iii) the meaning of innovation;

(iv) the knowledge to be acquired; and

(v) the meaning of high level of discipline.

14. The system must enable the officer to be aware of his strengths, faults and weaknesses. Such information must be made known to him by the Reporting Officer or the Evaluation Committee. There must be adequate opportunity given for the officer to correct his weaknesses and improve on his performance. An integral part of the system must include a system of counselling, training, reward and punishment.

15. The New Rumuneration System has established nineteen new service classifications, set up new essential and critical services and three occupational groups, namely, the top management group, the managerial and professional group and the support group. We cannot therefore adopt one common universal appraisal format, applicable to all groups and services. It is therefore necessary to vary the format of the annual confidential report for each group and services. As examples, the criteria to evaluate an officer in the Diplomatic Service must be different from that of the P.T.D. Secretary-General of Ministries. Correspondingly, the criteria to evaluate the Director General of Public Works must be different from that for the Secretary-General of the Ministry.

SPEECH DELIVERED AT THE LAUNCHING OF THE BOOKS 'VALUES AND ETHICS IN THE PUBLIC SERVICE' AND 'GETTING IT RIGHT—GLOSSARY OF TERMS FOR PUBLIC EXECUTIVES' AT THE PRIME MINISTER'S DEPARTMENT, KUALA LUMPUR—19TH AUGUST 1991

IMPORTANCE OF VALUES AND ETHICS

The book "Values and Ethics In The Public Service" will be an important reference and guidebook for all levels of the Public Service. As we are aware, in the past there was no main reference source for matters connected with values and ethics in the Public Service. Given the critical importance of this subject there was a pressing need for such a principal reference source for enlightening civil servants both on conceptual issues as well as on ways to imbibe values and ethics into the work culture. It is my fervent hope that this book will be able to address these needs.

KEY VALUES

2. At this juncture it is only appropriate that I reiterate the key values that should be a part of the Civil Service work culture. Among these values are trust, sense of responsibility, honesty, dedication, moderation, diligence, clean, discipline, cooperation, kindness and sense of gratitude. All these values and others are explained in this book. Civil servants must at all times endeavour to uphold these values. Greed is one of the principal reasons for corruption in Government. This must be rooted out at all costs. An attitude of moderation is also important and our expenditure should not exceed our income.

THRIFTINESS

3. Civil servants must exercise thriftiness in their approach to work. As an example, we cannot afford to waste resources—waste of materials, waste of effort, waste of time, waste of money, waste of energy; we should not allow lights to be left burning in unoccupied rooms in broad daylight, or allow the air-conditioning to be on in a room that nobody is using. Government offices tend to consume enormous volumes of paper and other types of stationery. I hope that Ministries and Government Departments will be able to identify specific examples of conduct which exemplify the key values dealt with in this book. The examples so identified can be incorporated in the second edition of the book. In this way our understanding of the concept and practices associated with these values will be further enhanced.

POSITIVE ATTITUDE FOR CIVIL SERVANTS

4. Civil servants must have the correct attitude towards work. They must be highly motivated, and must take great pride in the work they do. Efforts to enhance productivity, quality and efficiency at all levels of the Public Service will continue to receive emphasis to further improve the quality of the services provided to the public. To date eleven Administrative Development Circulars have been issued with a view to improving the professionalism, quality and productivity of the Public Service. I wish to stress that the personal qualities of civil servants must be given as much weightage as the management systems that is being practised. In the final analysis one must not forget that all systems are operated by men and the system is only as good as the people who man it. The very best system will fail if the people who operate it do not possess positive attitudes and values, trustworthiness and dedication. If letters sent by the public are lost, or if the service provided at Government counters is inefficient, then Government

administration will become weak and ineffective. Norms which are positive will not only benefit the public service but also the society as a whole including ourselves. In this context, I wish to quote from the New Straits Times editorial entitled 'Taking Public Service To Heart' which appeared on 5th August 1991:

> *"The improvement of public service starts with each public servant. They must be convinced their service to the public should be done in the best way possible, with efficiency, with care and with a smile"*

ISLAMIC VALUES

5. I also wish to take this opportunity to express my heartfelt thanks and deep appreciation to the Hon. Prime Minister, Dato' Seri Dr. Mahathir Mohamad, for having contributed a special chapter on **'Inculcation Of Islamic Values'.** It is my firm conviction that this article will dispel any misunderstanding associated with the inculcation of Islamic values in the Public Service.

INCULCATION OF VALUES AND ETHICS THROUGH TRAINING

6. One approach to the inculcation of noble values and ethics in the Public Service is by way of training. INTAN and other departments are requested to conduct training programmes designed to enhance the positive attitudes of Government staff. This book should be a key source of reference in such programmes.

GETTING IT RIGHT

7. The book **'Getting It Right—Glossary Of Terms For Public Executives'**, is a reference book containing a glossary of important

concepts and terminology that should be an essential part of the vocabulary of senior Government officers. These concepts and terminology are from the fields of international commerce, international relations, accounting, planning etc. It is my hope that the publication of this glossary will enhance the performance and effectiveness of Government officers in carrying out their duties.

SPEECH DELIVERED AT THE SEMINAR ON 'VALUES AND ETHICS' ORGANISED BY INTAN AT THE PAN PACIFIC HOTEL, KUALA LUMPUR —2 MARCH 1992

Last year I launched a book entitled Values and Ethics In The Public Service which was published by INTAN. This book explaines and clarifies the important aspects of the values and principles of an excellent work culture that we should practise. To express it in simple terms, the culture of a Public Service is the sum total of the values, attitudes, beliefs and practices upheld and shared by the management and all members of the Service.

2. I would like to take this opportunity to put forth some brief clarifications on the concepts of values, norms and ethics in society. The cultural values of a society constitute the core of its system of symbols. Continuously impinging upon it are the value systems of its economy, the polity, the arts and the sciences, and the many other cultural sub-systems of a society. Religious values, however, do not merely impinge upon cultural values but they constitute the very womb from which cultural values emerge. *Norms*, however, are primarily social. They have regulatory signficance for social processes and relationships but do not embody 'principles' which are applicable beyond a social organization or an institution such as the Public Service system.

3. A value therefore is a relatively permanent framework which shapes and influences the general nature of an individual's behaviour. One's values reveal one's preferences, while norms reveal social prescriptions and obligations. Values are shaped primarily by religious tradition, while norms are shaped primarily by the exigencies of an organized activity. Any kind of organized activity such as an administrative action requires rules and regulations.

4. The Oxford English Dictionary defines ethics as the science of morals or moral principles. The word itself is defined as concerned with goodness or badness of character or disposition, or with the distinction between right and wrong. In the Malaysian culture, all of these three aspects namely values, norms and ethics are combined and known as culture which also commonly refers to good manners is a reflection of the character and education of a person. Culture is the total behaviour of a person, born out of the value system practised. Culture is understood to imply learning and knowledge acquired for the sake of *right living*. It is a concept of what a person *should know, be and do to perfect the art of living*.

5. As Aristotle said "We are known by what we do repeatedly. *Excellence is not an act; it is a habit*". Good habits last a life time. To my mind, the crux of the matter of values and ethics in the Public Service is for civil servants *to cultivate good habits and practices in all aspects of their organisational* life, both physical and spiritual. Saidina Umar Al-Khattab once wrote as follows:

> *Let there be no doubt about it that efficiency depends on not postponing today's work until tomorrow. If you do that it will create confusion in work. You will mix priorities and nothing will be accomplished; shun as much as you can from worldly love and lust and imbibe deep-seated interest in the affairs of the masses. Give them audience for justice, even if it be for one hour daily.*

6. I personaly would like to set out 12 reminders that can be helpful in obtaining a sound sense of values (i) the value of time; (ii) the success of perseverance (iii) the pleasure of working (iv) the dignity of simplicity (v) the worth of one's character (vi) the power of kindness (vii) the influences of examples (viii) the obligations of duty (ix) the wisdom of economy (x) the virtue of patience (xi) the improvement of talent and (xii) the joy of

originating. I hope that this Seminar will discuss these values indepth and list out practices which fall under each of the values that I have put forth. I would also like for the seminar to produce a list of practices which are *unproductive and without value*. These two lists will, I hope, provide the officers and other members of the Public Service with more accurate guidelines for moulding personal behaviour based on good values and ethics.

7. Heads of Departments should strive to complete the day's work within the same day because the next day brings fresh work. Government officers should not waste time or procrastinate especially where it involves decision-making concerned with national economic development. The time which is available to a person in a day can be divided into three parts: one-third for work, one-third for sleep and recreation and one-third for religious, family and social obligations. If Heads of Departments are able keep to these schedules consciously and precisely, we will be able to improve work productivity in the Public Service.

8. Discipline and obedience should be given importance in work ethics. The first and most important theme that I always emphasise is the importance of discipline and obedience, the importance of doing the 'right' thing even if it is unpopular or hard. Government officers in the higher echelons who are the leaders in their respective Ministries and Departments must have the attitude of giving topmost recognition to the compliance of procedures, rules and regulations. Order, predictibility, efficiency and equality of treatment all require some kind of established procedures in conducting public business. They can remove the administration from dependence upon the changing whims of administrators; they are to buttress against favouritism and the working out of personal biases.

9. These values and norms which I have high-lighted can be inbuild into the Public Service if *we do them repeatedly and as a matter of habit*. Good ethics cannot be effectively shaped and maintained in isolation. The heuristic process requires a *supportive environment* in the Ministries and Departments if officers and staff are to be imbibed with the values, norms and ethics which will lead to responsible conduct in the public service. The rules and regulations, the prescribed inner qualities in the nature of the values, norms and ethics which I have outlined and the departmental activities which you promote must reinforce each other in a situation of critical inter-relationships.

10. As we know, under the New Remuneration System (NRS) various new approaches to performance evaluation of officers and other staff in the Public Service will be introduced. In line with the needs of the NRS, new performance evaluation forms will be introduced *(a)* to determine the eligibility for promotion, to receive excellent service awards and to receive incentives, *(b)* to determine eligibility for salary increases through a diagonal, vertical or horizontal movement or a static position, *(c)* to identify and plan for training needs, career development and manpower development *(d)* to identify potential, ability, exceptional qualities as well as the progress made by an officer in his career and *(e)* as a feedback to facilitate two-way communication between the superior and subordinate, facilitate discussion and counselling to increase cooperation, motivation and productivity.

11. The Director-General of the Public Services has submitted several drafts of the new format for the Performance Evaluation Report for Officers in the Higher Management Service Category, Officers in the Management and Professional Category and two new forms for the Supporting Services Category. I have directed that these drafts of the new forms for the Performance Evaluation Report be further discussed at a special meeting of

Secretaries-General, Heads of Services, State Secretaries, Heads of Departments at Federal and state levels, Heads of Statutory Authorities and staff of Local Authorities. This process of discussion is very essential to give confidence to all members of the Public Service that the evaluation exercise is carried out objectively, accurately and impartially. This special meeting will discuss aspects that should be evaluated such as work output, knowledge and skills, personal qualities, the potential for further development of the officers and staff being assesed, extra-mural activities and the value of their contribution to the department and the Public Service as a whole. The officers and staff of the Public Service are also entitled to be informed of the mechanism for performance evaluation, namely the identity of the evaluating officer and the reviewing officer as well as the role of the Head of Department in the evaluation exercise. It is expected that this special meeting will produce a Guide Book For The Prepartion of the Performance Evaluation Report for the use of Ministries, Federal and State Departments, Statutory Bodies and Local Authorities.

12. I expect Heads of Departments, evaluating officers and reviewing officers involved in performance evaluation for their officers and staff to carry out their respective tasks with complete trustworthiness, objectivity, accuracy and impartiality. Heads of Departments, evaluating officers or reviewing officers who uphold values such as *quality, productivity, discipline and innovation*, will, I believe emphasise these same aspects in evaluating the performance of officers under their supervision. The preparation of performance evaluation report under the NRS will be a ardouos test for Heads of Departments as well as the evaluating and reviewing officers involved.

SPEECH DELIVERED AT THE PUBLIC SERVICE INNOVATION AWARD PRESENTATION CEREMONY AT PAN PACIFIC HOTEL, KUALA LUMPUR—6 MAY, 1992

In the public service, the term "innovation" means the introduction of new ideas or changes to improve the quality of service of an agency. The innovation may deal with an aspect of a technology such as an equipment which can expedite a work process or an adaptation to existing systems, methods and procedures in the public service. In addition, innovation also refers to the introduction of new services which benefits the public or the inclusion of new features to existing services provided, which gives greater satisfaction, to the customer specifically, or the public generally. A new idea is considered an innovation only upon its implementation as evidenced by its benefits. This means new ideas must be manifested in evident output whether a product produced or a service rendered.

2. I would like to take this opportunity to expound on "the joy of originating". Satisfaction is the objective of all human endeavour. And the greatest satisfaction is the pleasure derived from creating something. Even more so, where such creation provides benefit to society and the nation. An artistic creation brings about sensual satisfaction whether from the aspect of harmonious form, colour or sound. But the satisfaction derived from an invention of a new equipment or a new technique evokes a sense of achievement, a sense of conquest and of pride as it benefits the people at large. "Real joy comes not from ease or riches or from the praise of men, but from doing something worthwhile". (Sir Wilfred Grenfell).

3. As a guide to all public servants, the positive practices accruing from this value are as follows: (i) carrying out an idea or proposal which is clearly

beneficial; (ii) continuously seeking new ideas and ways in the resolution of problems; and (iii) encouraging the creation of new ideas or new approaches in administration.

4. Conversely, negative practices which must be averted are: (i) being satisfied with the present circumstances; (ii) belittling the efforts of others; (iii) blindly defending the status quo; (iv) impatience in trying new ways; and (v) detestation for improvements.

5. Each innovation selected for this Public Service Innovation Award was evaluated on four criteria. The *first* criterion is the reduction of operational cost. Under this criterion, the innovation is evaluated on the extent to which it enabled the reduction of operational cost of the agency. As an example, by updating and reducing the use of various forms to one or two forms, an agency will be able to reduce its operational cost. The second *criterion* is time saving. Through this criterion, an innovation is evaluated on the basis of its effectiveness in reducing the time utilised in carrying out the work. As an example, the use of micro computers at payment counters at the Post Offices have hastened the work processes and reduced waiting time for the public in the settlement of their bills. The *third criterion* is increasing work output. Under this criterion, evaluation is made on the extent to which the department's innovation has helped in increasing work output or the level of productivity. As an example, in introducing changes to the commercial vehicles inspection procedures, The Road Transport Department has succeeded in the inspection of more commercial vehicles each day. This means productivity has increased. The *fourth criterion* is the extent of increase in customer satisfaction. An innovation is said to be good only if it is evident that it brings about increased satisfaction to the customers.

6. The culture of innovation must permeate widely amongst Government Departments in order to have a deep impact on the performance of the Public Service. Heads of departments and each member of the organisation must participate by contributing good ideas, initiating changes and improving in their fields of work. This must be a continuous process.

7. Innovation can emerge from an environment where there is discipline and staff members are working towards clearly defined objectives in clearly defined jobs. Government departments have been instructed to establish innovative teams. These teams should be given latitude to explore weaknesses in the administrative rules, regulations and procedures; they are essentially project-oriented and goal-focussed.

8. Clear work procedures, high standards of achievement and a highly motivated work force will result in a work culture that spells quality. There is no room for sluggishness, inertia, or strangulations through red tape. The country needs a civil service which is creative and fast-moving.

9. There is nothing more important than an idea in our mind. Problem solving without creative thinking is like a garden without seeds—only snails, worms, stones and soil will prevail. Creative thinking will plant a mental garden—one which can then be cultivated, weeded, nourished and harvested.

10. The staff within Government departments and statutory bodies are capable of coming up with new ideas, developing creative responses and providing the push for change. There have been many innovations, whether in products, market strategies, technological processes or work practices,

which have been designed by Government officers. We must relearn to trust our staff and encourage them to use neglected reactive capacities in order to tap the most potent economic stimulus of all, namely *idea power*. Thus, the leadership challenge today is to translate the desire to innovate into the administrative environment. We need a civil service that is not stuck in the rhythm of routine jobs that it cannot easily adapt to a new drumbeat. "Innovation and change" has to be a way of life rather than an occasional shock. It should not be a one-event kind of a thing.

11. In striving to develop an innovative culture, each Head of Department need to ask himself five key questions: (i) What specifically do I want to achieve through innovation? (ii) How good is my department now and what are the specific things to innovate? (iii) What steps are required to innovate? (iv) How do I take those steps? (v) How do I keep improving and maintaining the momentum of innovation in my department?

12. The supportive role of leadership in Government departments is crucial in inculcating the culture of innovation. To some, "leadership" has an inspirational innovation wherein the leader inspires his staff to strive for successively greater heights. Others see the role of the leader as a more supportive one with the leader assisting followers rather than directing them. In my view, and in practice, leadership is partly each of these roles. The activities of leaders do have an impact on the effectiveness of the departments, staff satisfaction, and productivity. That is why, when considering merit in promotion, the performance of officers will in future be measured in terms of their effectiveness in *improving quality, increasing productivity, their creativity and innovation*, leadership ability, positive work ethics, and standards of discipline.

13. The Public Service Innovation Award was created to give due recognition and reward to departments, divisions and public servants for

their success in contributing significant innovations. The Government hopes that this incentive and encouragement will further spur the departments and public servants towards greater innovation in their work.

SPEECH DELIVERED AT THE SEMINAR ON "ACCOUNTABILITY IN THE PUBLIC SERVICE", AT INTAN BUKIT KIARA, KUALA LUMPUR —24 OCTOBER 1990

The convening of this Seminar is most timely. You will agree with me that there is an increasing awareness, among those who are governing and those who are being governed, of the urgent need to address the issue of "accountability." The public disclosures of widespread questionable, negative and illegal activities of public officials together with the perennial problems of inefficiency and red tape in certain countries have led to a decline in the confidence of the public towards the Public Service. This decline warrants our serious attention.

2. The business of Government cannot be divorced from the dictates of "accountability", which is the very cornerstone on which modern states practising the ideology of democracy have evolved, and are premised. In whatever way one defines democracy, the immutable principle is that, those who have been empowered by the people must at all times portray responsiveness, be it to the public, to higher political authorities, to client groups or the constituencies that make up the democratic polity. Responsiveness, thus, entails efficiency and effectiveness in the delivery of promised results, and this, of course is premised on the basic principle of accountability.

The Concept of Accountability

3. This leads to the inevitable question - what is "accountability?". Whilst several definitions are possible and equally applicable, I would would like to use what I regard as a simple, but succinct definition, that is:

4. 'Accountability is the obligation to give answers and explanations concerning one's actions and performance, to those with a right to require such answers and explanations'.

5. Subsumed in this definition is a myriad of legal, oral and ethical obligations that comes with the occupancy of any public office. In short, it is the obligation to carry out assigned activities in a responsible and responsive manner, and being held answerable for success or failure. As such, when we talk about "accountability" in the public service, we cannot but consider the question of bureaucratic responsibility. **Internal accountability** means that at each level in an hierarchical organisation, public officials are accountable to those who supervise and control their work. On the other hand, **external accountability** means, answerability for action carried out and performance achieved to other relevant and concerned authorities, outside his department or organisation.

An Administrative System and Delegated Powers

6. No modern state can exist without an administrative system. The legitimacy of the delegated powers to the public service, is premised on several important conditions, some of which are as follows:

(i) That the public service (servants) should act in accordance with the basic principles which uphold the authority of the constitutionally elected Government;

(ii) That public servants should subordinate their personal preferences and judgements to the dictates of the democratic process, and perform according to the constitutional and legal directives pertaining to their areas of authority;

(iii) That public servants are sworn to remain continually accountable in an honest and accurate manner for their actions to the relevant authorities;

(iv) That public servants should act in a competent and effective manner to achieve set purposes and produce desired results; and

(v) That public servants are to use public funds entrusted to them for authorised public purposes, not for their own gain or the private gain of others.

7. What all these **conditions** mean is that, public servants should serve the will of the people as articulated through the authority of the executive and the legislature. Policy matters and decisions thereof should rest ultimately with the elected representatives of the people, and all decisions made by public servants must be within the parameters of defined mandates and delegated authority.

Institutional Obligations

8. Thus, when applied to public servants, the term 'accountability' refers to the officials' belief that they must act in accordance with the norms that they as individuals, society generally, and institutions uphold as standards of behaviour. Experts of administrative behaviour have tended to view accountability in the public service as falling along a continuum. **Highly subjective** officials would uphold as standards for their behaviour moral convictions, professional standards, and views of democracy that are derived predominantly from personal convictions. The **highly objective** officials would focus on institutional obligations. I am quite sure that this seminar will discuss and view this subject of accountability in the Public Service as following along a continuum on these two items of extreme positions.

Basic Commitments of Public Service

9. The Public Service, and, thereby public servants, need to make some basic commitments. They are:

Firstly, a commitment to master the knowledge and skills required of their jobs and to conscientiously perform in accordance with their positions;

Secondly, a commitment to implement policies and programmes as formulated by the constitutionally elected Government, even when they personally disagree with them. Max Weber's argument drives home this point, and I quote:

"Civil servants should obey orders exactly as if the order agreed with his own convictions. This holds even if the order appears wrong to him, and if, despite the civil servant's remonstrances, the authority insists on the order. Without this moral discipline and self-denial, in the highest sense, the whole apparatus will fall apart."

Finally, public servants must have a commitment to act impartially and to treat all citizens with an equally disinterested concern. What this means is that the public servant must overcome his or her personal prejudices and preferences, in striving to provide the service to all citizens, regardless of their race, creed or sex.

I am sure that you will readily agree with me that these commitments are absolutely essential if the Public Service is to perform its role in an effective and professional manner.

10. The Public Service, which is entrusted with the public resources and the authority to utilize them to achieve its desired goals, has a moral responsibility to be fully accountable for its activities. All public officials are accountable to those who provide the resources for them to carry out the Government programmes. The accountability of public officials is deemed to be part and parcel of a good and responsible Government.

Instruments of Accountability

11. There are many instruments of accountability. In Malaysia, the list of procedures, institutions, and acts that have been devised to attempt to control administration is by now very long and equally varied. In the Public Service in Malaysia, there are three levels of accountability, namely:

(i) **Fiduciary** or **fiscal accountability** in terms of financial integrity, disclosure and compliance with the laws and regulations governing public administration;

(ii) **Managerial accountability** in terms of the efficient and economical use of manpower and other resources; and

(iii) **Programme accountability** in terms of programme impact, that is, whether it is achieving its intended objectives, and whether, the best programme options have been selected to achieve these objectives from the stand-point of total cost and outputs.

Accountability Mechanism

12. Accountability mechanisms are built into the laws, regulations and the institutions controlling public expenditure. For example, the Secretary General of a Ministry is appointed as the controlling officer of the Ministry's expenditure. The effect of this appointment is that it clearly places responsibility for the financial management of the Ministry squarely on the

shoulders of the controlling officer for which he is answerable to Parliament through the Public Accounts Committee (PAC). The PAC acts as a representative of Parliament. It represents the highest control level on public expenditure. Its investigations focus on whether approved funds are disbursed for the purpose for which they had been approved and on whether expenditure has been properly incurred. Its basis of investigation is the Auditor-General's Reports which are annually laid before Parliament. The Auditor General's role and responsibilities are clearly spelt out in the Federal Constitution (Articles 106 and 107) and the Audit Act 1957. The Constitution requires that any money to be spent must be authorized by law and that the public accounts must be audited and reported on by the Auditor General. We also have the **Cabinet Committee On Government Management** which was set up in recognition of the need to improve efficiency and accountability in public administration. This Committee investigates impropriety in Government management and to identify areas for management improvements to reduce wasteful expenditures.

Conclusion

13. I would like to say that while each individual public servant is ultimately responsible for his or her behaviour with respect to accountability, I believe that organisations themselves are crucial in defining and controlling the situations in which decisions are made. If you accept this argument then you will support me when I say, that one of the key functions of management is to **create an accountability consciousness** in the department. In this connection, I believe there is no substitute for **leadership**. It is the Head of Department who ultimately determines not only that all accountability obligations of the department are conformed to, but also the one who creates and sustains "an ethos of accountability." The Head of Department must be

the role model, and I believe that his or her behaviour in respect of accountability obligations, will set the tone for the department as a whole. Thus it is absolutely vital that the Head of Department strives to create a culture where the practice of accountability is internalised, as a core value within the department. As such, the discharge of accountability obligations, must not be treated as a mere routine function that needs to be carried out, because of external imposition. For example, we should not treat the process of financial auditing as a bothersome annual affair, but should strive to provide the necessary information required of us, in a responsible manner. And we can only do this if we are constantly aware of the need to put into practice the basic tenets of responsiveness and accountability.

SPEECH DELIVERED AT THE PRESENTATION OF EXCELLENT SERVICE AWARDS FOR OFFICERS OF THE ANTI—CORRUPTION AGENCY —22 APRIL 1991

Role of ACA

ACA is a Government agency whose sole function is the prosecution of crooked officials and the prevention of corruption. The public service should be incorruptible. Corruption is a terrible disease, as we have seen from the experience of some countries. Its beginning is imperceptible. It starts in a small way, and there is no denying that it exists in our country. But it must never be allowed to spread. It must be stamped out. It spreads easily. The public must not be at the mercy of corrupt officials. The standard excuse for corruption is that the public servants are not adequately paid. But once widespread corruption has got hold of any country, then no matter by how much their pay is increased, even if it is doubled or tripled, members of the Public Service will still be corrupt. Corruption in "that country" can become a national custom, and any official who does not take advantage of it, is a fool.

Responsibilities of ACA Officers

2. There are many views on what influences human behaviour. Among them is the belief that the individual by nature will seek physical comfort and the pleasures of life. These factors are said to be the root cause of all evils such as corruption, nepotism, misuse of power, and so on. The existence of such a situation is dependant on the individual himself. An ACA officer, regardless of the post he is holding, has certain authority and powers. As such, ACA officers should hold on to certain ethical values. They should cleanse their minds of all corrupt ideas, train to think and

analyse clearly, act appropriately and judge fairly at all times. Ensure complete objectivity in whatever undertakings and be impartial in pursuing justice.

3. Our country is developing rapidly. We have our development plans, we also have set rules and procedures to follow on matters involving permits, licences and so on, and many are the grumbles one hears from businessmen of delay in obtaining official approval. Some bureaucratic delay is inevitable and applicants are prepared to put up with it. But it is said that some delay is contrived in order to squeeze money. Causes of such delay should be investigated, identified and removed. ACA should work together with Heads of Departments in this regard. We must avoid the situation whereby senior executives in both the public and private sectors will not dare bring their lowliest staff to book for they themselves live in glass houses. Honesty and fair play are the hallmarks of a good ACA officer - let your zeal be as warm as your heart's blood but let it be tempered with discretion and with self respect, let your independence be firm but let it be chastened by personel humility; let it amount to a passion but let it not appear to be a cloak for maliciousness. In carrying out their duties, ACA officers should be reminded of the timeless advice of Socrates "to hear courteously, to consider soberly and to decide impartially".

Amendments to Regulations On Disipline

4. Under the present system, the legal process involved when a civil servant is taken to court takes a very long time. Thus an officer who is being investigated is given half-pay according to General Orders Chapter 'D', and when found guilty eventually would have been paid a salary even though he has not been working during the said period. If the half-pay paid out in all

such cases are totalled up, it would result in a sizeable amount. The existing regulations also do not allow disciplinary action to be taken against civil servants whilst facing court action. I will ask the Public Services Department to study this regulation from all legal aspects.

Number of Civil Servants Involved In Corruption

5. I would like to take this opportunity to extend my congratulations especially to the Director General of ACA, Tuan Haji Zulkifli Mahmood who has given effective leadership to the agency. According to reports I have received, a total of 151 civil servants were arrested by ACA in 1990 (Division A—15 persons, Division B—15 persons, Division C—44 persons and Division D—77 persons). A total of 128 civil servants were investigated in 1990 of whom 84 were found guilty. I would also like to congratulate those ACA officers who have been bestowed national awards recently.

SPEECH DELIVERED AT THE SEMINAR FOR CONTROLLING OFFICERS ON "FINANCIAL MANAGEMENT AND CONTROL OF PUBLIC FUNDS", AT HOTEL RAMADA, MALACCA— 16 AUGUST 1991

I have been requested to give some views on ethics and accountability in financial management.I would like to say that the business of a democratic Government cannot be divorced from the dictates of management ethics and accountability. What is the definition of ethics and accountability? The Oxford English Dictionary defines ethics as the 'Science of Morals'. 'Morals' itself is defined as 'concerned with goodness or badness of character or disposition or with the distinction between right and wrong'. Consequently, ethics can be considered to be the discipline that examines right and wrong behavior.

ACCOUNTABILITY

2. Accountability is defined as follows:

> "To account for one's action means that one gives a report of what one has done in a specific period of time, together with whatever explanations may be necessary to justify the actions performed and the ends pursued."

3. As controlling officers, you have an obligation to carry out your assigned activities in a responsible and responsive manner and will be held answerable for success or failure. "Accountability" means that controlling officers must:

(i) remain continually accountable in an honest and accurate manner for their actions to the relevant authorities;

(ii) act in a competent and effective manner to achieve set purpose and produce the desired results;and

(iii) use public funds entrusted to them for authorised public purposes, not for their own gain or the private gain of others.

4. Put simply, 'accountability is the obligation to give answers and explanation concerning one's actions and performance, to those with a right to require such answers and explanation.'

5. Accountability means following and adhering to the directives and regulations which have been set up. Those who are entrusted with enforcing disciplinary action, must also be responsibile to that ensure such actions are taken when necessary.

6. Among the actions that need to be carried out to upgrade accountability are the following:-

(i) The management needs to explain clearly the accountability for each task and responsibility.

(ii) A system of accountability needs to be established at all Government agencies for outlining the work and responsibility of each worker. This system should determine the responsibility of each worker and the type of work entrusted to them.

Accountability must be in a written form and embodied in specific laws,procedures,regulations and directives.

Praiseworthy Values

7. There are many values which can be a guide for financial managers to achieve excellence in rendering services.

8. The first value is honesty. Honesty does not only mean being honest with oneself or honest in carrying out financial transactions. Putting aside self interest in the cause of public interest, not being influenced by corrupt practices, not exerting influence and public position for achieving self gain are some of the values of a honest manager. Bending rules to achieve self interest or to reap benefit for oneself or for others are actions that are dishonest. To break a contract into smaller components so as to escape tender procedures is an example of a dishonest action.

9. The second value is committment. We must dedicate ourselves to our profession with full devotion, and administer selflessly. Our conduct inside and outside the office must do justice to the esteem and confidence which our profession requires. In the context of financial management, a controlling officer must possess committment in ensuring that all aspects of financial management are properly adhered to and also ensure that vote books and financial records are accurate and up to date. Reports of the Auditor General must be given immediate personal attention. Financial problems that recur and all managerial weaknesses need to be rectified promptly. The Controlling Officer should not overlook these priciples of management. Matters pertaining to financial records should not be left to subordinate staff but should be the responsibility of senior officers.

Financial Records

10. Financial records must be kept properly. Controlling Officers have to show proof that funds made available are properly accounted for and applied to the purposes for which they were intended. Proper records of receipts and expenditures must be kept. The record-keeping system must provide for the maintenance of records that reflect the propriety of the transactions and give evidence of accountability for assests and other resources utilised. Financial records should be classfied and categorised

in such a manner that would facilitate easy retrieval and provide information for management control purposes. The use of a computerised system for the keeping of financial records would provide for accurate and easy retrieval of information for management to detect any abuse in financial trasactions.

Managerial Accounting

11. I take this opportunity to make some suggestions to improve financial management. To enhance management accountability, it is timely to consider the introduction of a management cost accounting system at the department level. Here, the finance division at each department would have to capture cost information on the main outputs of the department. By doing so, the Head of Department would be able to know the direct labour and material costs and the overheads or indirect costs involved in the production of specific goods and services. While direct labour and material costs could be identified directly through respective outputs, overhead costs have to be allocated to the various output on an acceptable basis. With cost information, the Head of Department would be able to plan the use of resources, be able to compare the actual cost against planned cost and be able to detect which item is responsible for the cost overrun. This would facilitate, I am sure, better management accountability.

Management Audit

12. Another management technique available to improve management accountability is the management audit. Here an audit team located at the Ministry could be utilised to assess objectively the performance of a department. It evaluates the actual results against planned results, verifies the accuracy and reliability of performance date, the efficiency and effectiveness of existing systems and procedures of work, the implementation of rules, regulations and Government circulars, the quality of service etc. The findings and recommendations of this team may be

forwarded to a Committee chaired by the Secretary General of the Ministry as the Controlling Officer. The report must be seen and treated as a supplement to the existing managerment information system. The Secretary General concerned should evaluate the findings and recommendations of the audit team and take the necessary action to implement acceptable recommendations. Follow-up and follow-through action would be undertaken by this audit team to ensure that acceptable recommendations are implementated by the Department concerned.

13. This management technique is very practical and useful. It keeps the affairs of administration within the ambit of those responsible for sound and ethical management. It provides management an opportunity to take administrative action against weakness detected early. It goes beyond auditing financial compliance. It ventures into the nuts and bolts of management action for the purpose of management improvement.

Management Information System

14. In conclusion, I would like to stress on management information systems. Management requires constant feedback on the progress made by others in order to monitor performance against critical points of the work plan or budget. Manual reports are perceived to be too cumbersome, inflexible and time consuming. Complexity, time consciousness and demand for fast results, require the use of computerised management information systems to provide management with up to date feedback on what is going on and where we are now. Thus, Controlling Officers who desire to discharge their responsibilities well, will have to be computer literate. You must participate actively in the specifications of information requirements for planning, budgeting, cost control, monitoring and

evaluation, early warning system, etc. Of course, you must learn to be able to use the facilities provided effectively. Management must also be concerned that data is updated as scheduled. Immediate action must be taken when delay is detected in data update. The rationale is that current information provides the competitive edge in planning, execution and evaluation; and also to impress on others the importance of current information in decision making. Controlling Officers are also required to check on the accuracy and reliability of the information provided. Here, I recommend surprise visits and checking documents to see what is actually happening.

15. In the past, evaluation on the performance of Heads of Departments was geared towards aspects of general management. The efficiency of a Head of Department as a Finance Manager was not given due consideration in his career path. There are many occasions where, owing to the inefficiency of a previous financial controller, the present financial controller has to give lengthy explanations to the committee which scrutinises the Ministry's and department's audit report for abuse and irregularities by former officers and staff. As such, it is pertinent that our Public Service gives due emphasis to good financial managerial abilities as a criteria for promotion for posts of Secretaries General and Heads of Departments.

SPEECH DELIVERED AT THE FUNCTION TO LAUNCH THE 1990 ANNUAL REPORT OF THE PUBLIC COMPLAINTS BUREAU—24 OCTOBER 1991

This afternoon, I wish to take the opportunity to elaborate on the performance of the Public Complaints Bureau and its enchanced role in the Public Service. As we are aware, The Public Complaints Bureau was established in the year 1971 and is now 20 years of age.

Function of the Public Complaints Bureau

2. For many years since its establishment, the Public Complaints Bureau was merely a body receiving and forwarding complaints from the public to the departments concerned for further action. Since the past two or three years, the Bureau has changed its mode of functioning. The Bureau now conducts investigations on the major complaints of maladministrative practices by authorities. It is well known, that the basis for establishing the Bureau is Government accountability to citizens, accountability being a fundamental requirement of Government in a parliamentary democracy. The Bureau, therefore, is the machinery of administrative justice; yet, I am sure, many still harbour about its efficacy. In particular, many observers fear that public complaints are no more than a chance for the aggrieved citizens to "let off steam" about decisions which will not be changed as a result of their representations; or that civil servants will not be held accountable for their misdeeds or inefficiency.

Annual Report of The Public Complaints Bureau

3. As such, the Government has decided that from this year, the Annual Report of the Public Complaints Bureau will be made public with the aim that the public will be informed of the functioning of the Government

machinery, pertaining to any improper actions, abuse of power and incidents of maladministration. The 1990 Report of the Bureau is now available to the public for inspection or analysis. Suffice for me to draw the attention of the public that three Ministries with numerous departments and agencies under their supervision and which have a high level of dealings with the public are the agencies which received the most number of complaints against them.

Permanent Committee On Public Complaints

4. Where does the Bureau derive its authority from? The Public Complaints Bureau is responsible to a Permanent Committee On Public Complaints which is chaired by the Chief Secretary to the Government. The membership of the committee comprises the Director-General of the Public Services Department, the Director-General of the Anti-Corruption Agency, the Director-General of the Malaysia Administrative Modernisation and Management Planning Unit (MAMPU) and the Deputy Secretary-General of The Prime Minister's Department. This Permanent Committee examines in detail major or serious complaints received by the Public Complaints Bureau. To ensure the effectiveness of the Bureau, The Permanent Committee may call on the relevant Heads of Departments to provide clarifications and explanations regarding any major or serious complaints. This Permanent Committee keeps in touch with and works closely with the Anti-corruption Agency as well as the Disciplinary Boards on any necessary follow-up action in accordance with their jurisdiction.

Complaints For The Year 1990

5. Going back to the Report of the Public Complaints Bureau for 1990, of the 1,227 complaints received against Federal Departments, 944 cases have been resolved, and 511 of these cases were found to be genuine. I would like

to touch on non-genuine cases. It is the hope of the Bureau, that complaints forwarded by the Public supported by are in other words, the representation of relevant evidence of maladministration so that justified complaints are remedied.

Circuit System

6. The Government has also decided that the circuit system which had been implemented by the Bureau as a pilot project in 1989 be continued as a permanent activity. This is to further facilitate the public in forwarding their complaints. Under this circuit system, Peninsula Malaysia is divided into 3 zones, namely North, Central and South, and each zone will be visited by officers from the Bureau at least twice a year. The system circuit does not include Sabah and Sarawak since these states have their own Complaints Bureau. A total of 36 towns have been identified for the Public Complaints Bureau Circuit in 1991. Up till now, the response from the public to the circuit system has been satisfactory; a total of 231 complaints have been received from the 21 towns visited. A large number of these complaints pertain to land administration, public utilities, housing loans, Government aid, failure to enforce laws by local authorities and service regulations in the Public Service.

Feedback Machanism

7. It has been proven that the circuit system is a useful mechanism for obtaining feedback on the performance of the Public Service. I have requested the Public Complaints Bureau to collect all suggestions and serious complaints received through the suggestion boxes placed in Federal Departments for analysis and remedial action.

Review of Structure of the Bureau

8. I have requested the Public Services Department to review the structure of the Public Complaints Bureau with the view to further increasing its effectiveness so that this Bureau will become an established part of the system of accountability. This will also assist in making it an effective agency to compel the granting of redresses when it discovers maladministration and, in the process, to hold civil servants accountable for their misdeeds or inefficiency.

9. The Report has highlighted several cases of inefficiencies; but in a large civil service, such incidents are inevitable. Such occurences, however, have not seriously impaired the good performance of our Public Service.

SPEECH DELIVERED AT THE LAUNCHING OF 4 BOOKS ON DISCIPLINE AT INTAN, BUKIT KIARA, KUALA LUMPUR —2 DECEMBER, 1991

Compliance with Disciplinary Regulation

All members of the Public service must comply with General Orders Chapter 'D' 1980 and with all circulars and administrative regulations issued from time to time regarding conduct and discipline apart from other national laws. The conduct of all civil servants is subject to the laws of the land. Civil servants must not only subscribe to the General Orders, circulars and other administrative instructions relating to discipline, but must abide by the ordinary civil laws that apply to all citizens. There are, in addition, particular statutes like the Official Secrets Act 1972, which restricts the disclosure of official information. It is an offence under the Prevention of Corruption Act 1961 (Revised 1971) for a civil servant to corruptly accept any gift or consideration as an inducement or reward. There are in addition to such laws, various written rules regarding such matters as the acceptance of outside employment, and guidelines on political activities etc. In short, civil servants owe their obedience to the law. In practice, the distinctive character of the civil servants depends largely on the existence and maintenance of a general code of conduct comprising the general orders, the circulars and the statutes, although some may be intangible and unwritten. Character does not reach its best until it is controlled, harnessed, and disciplined.

Laws, Circulars and Circular Letters

2. Government officers must have knowledge of and comply with laws, Circulars and Circular Letters including the following:

(i) *Laws*

(a) Prevention of Corruption Act 1961 (Revised 1971);

(b) Official Secrets Act 1972; and

(c) Financial Procedure Act, 1957.

(ii) *Service Circulars*

(a) No. 1 of 1971 and No. 30 of 1974 regarding participation in politics by Government officers.

(b) No. 3 and 4 of 1981, No. 4 of 1982 and No. 2 of 1984 regarding declaration of assets by Government officers.

(c) No. 7 of 1982 regarding involvement of Government officers in Boards of Directors of companies where Cooperatives/ Funds/Workers Unions have an interest in the form of capital investment or equity.

(d) No. 10 of 1984 regarding drug regulations pertaining to civil servants.

(e) No. 1 of 1985 regarding public statements by public officers.

(f) No. 2 of 1985 regarding attire during working hours and when attending official functions.

(g) No. 2 of 1987 regarding permission for Government officers to set up family holding companies.

(h) No. 3 of 1989 regarding messages of congratulations/ condolences in newspapers and other mass media by the private sector, associations, organisations or individuals or groups to public officers.

(iii) *Circular Letters*

(a) No. 5 of 1984 regarding declaration of assets by officers at the level of Superscale 'E' and below who are not holding the position of a Head of Department, and

(b) No. 1 of 1987 regarding declaration of additional assets for officers in Group 'A'.

(iv) *General Circular Letter*

(a) No. 11 of 1981 regarding the Punch Clock System in Government departments.

The Laws, Circulars and Circular letters that I have mentioned above represent the **code of Conduct** governing the conduct of Government officers. All Government officers should know and comply with these. I hope these documents will become training materials and also their contents should be used for formulating questions for interviews in promotion exercises and for the award of scholarships. They should also be used for other tests in order to evaluate the level of knowledge of Government officers.

The History of changes in Disciplinary Powers

3. In the early period after Independence, the powers regarding promotion and discipline were placed under the jurisdiction of the Public Services Commission. In 1966, changes were made in the delegation of these powers. Government takes a serious view regarding the discipline of Government officers. The government considers that a high level of disipline among Government employees as very important for national economic development. To make the Government administration a more efficient one, the Government is now of the opinion that it is important that Heads of Departments are given disciplinary powers over their staff. The Hon. Deputy Prime Minister, the late Tun Haji Abdul Razak whilst speaking in Parliament on 20 June 1966 stated "The Government's proposal to transfer the powers of discipline from the Public Services Commission to senior Heads of Departments is with the objective of streamlining the Public Service, and to stamp out corrupt practices. With the disciplinary powers in the hands of senior civil servants, they will have effective means in their hands to supervise the work of their subordinates, to see that they carry out their work efficiently and expeditiously and economically, and also at the same time to see that they would not indulge in corrupt and undesirable practices."

Responsibilities of Heads of Department

4. I have turned back this page in history with the aim that present Heads of Departments will understand more fully the objective and spirit of why disciplinary powers are in their hands today. The General Orders Chapter 'D' have been amended from time to time to suit current circumstances. Possibly, Heads of Departments are not fully knowledgeable with regard

to individual duties and responsibilities on the organisation of disciplinary matters. In this connection, I wish to reiterate that Heads of Departments possess at least 16 responsibilities under General Order Chapter 'D' (1980) as follows.

(i) Under General Orders 22, Heads of Departments are required to exercise disciplinary control and supervision over officers under them and to take appropriate action against officers who violate disciplinary rules. Failure to do so will be considered as having committed a wrong because of inefficiency and they themselves can be subjected to disciplinary action.

(ii) Under General Orders 5, the Head of Department is the authority to consider applications to carry out work outside of official duties by officers under them.

(iii) Under General Orders 8(4)(C), the Head of Department is required to give his comments regarding applications to own property by his officers.

(iv) Under General Orders 9(1), the Head of Department can require an officer, who is considered as having a living standard beyond his official emoluments and other legitimate private income, if any, to give an explanation in writing within 30 days from the date of receipt of such a letter as to how he is able to have that standard of living or how he has obtained those financial resources or property;

(v) Under General Orders 12(3), the Head of Department must give a report to the Disciplinary Board concerning the work and conduct of an officer before and after he has been in grave difficulty because of debt.

(vi) Under General Order 19(3), the Head of Department must give his comments regarding applications to hold office in political parties made by officers in Groups B, C and D.

(vii) Under General Orders 20, the Head of Department must give his comments on an application for legal aid made by any officer.

(viii) Under General Orders 21 (5), the Head of Department must direct that a acknowledged registered letter be sent to the address of any officer who is absent from duty continuously for more than seven days.

(ix) Under General Orders 27(2) when a Head of Department knows that there are any legal proceedings being brought against any of his officers, he must apply for a report from the Registrar or the Senior Assistant Registrar of the Court containing the following information:

(a) at the commencement of the hearing the following information:

(i) charge or charges against that officer;

(ii) if arrested, the date and time the officer was arrested;

(iii) whether the officer is under bail or not; and

(iv) any other relevant information; and

(b) At the conclusion of the hearing, the decision of the court.

(x) Under General Orders 27(2), Regulations for officers in the Public Service (Conduct and Discipline) (Chapter D), the Head of

Department must make recommendations to the Service Commission/Disciplinary Board for Group 'D' employees in the Department, as to whether an officer should be suspended or not, following a criminal charge against that officer in court.

(xi) Under General Orders 33, and 34(1), the Head of Department must make recommendation to the Service Commission/ Disciplinary Board for Group 'D' employees that an officer who has been convicted on a criminal charge in court or has been subjected to any detention order made by the Honourable Minister for Home Affairs, should be subject to dismissal or any other punishments or dealt with in any other way;

(xii) Under General Orders 41(2) the Head of Department must give his opinion regarding any application for remission made by an officer who has been subjected to a deferment of increase in salary.

(xiii) The Head of Department must give his opinion regarding an appeal in a disciplinary matter made by an officer who is disatisfied with the decision of the Disciplinary Board.

(xiv) The Head of Department must forward any appeals in a disciplinary matter made by an aggrieved officer to the Disciplinary Appeal Board in the Public Services Commission or the Public Services Department.

(xv) The Head of Department may recommend to the Government that the services of an officer be terminated in public interest under General Orders 44;

(xvi) The Head of Department must ensure that the decision of the Disciplinary Board be recorded in the Service Record Book of the officer.

All Heads of Departments must keep in mind these 16 responsibilities.

Disciplinary Board and its Jurisdiction

5. At present, the administration of disciplinary action against officers in the Federal Service only (not including Statutory bodies and State Governments) is under the jurisdiction of the Public Service Disciplinary Board Regulations 1972. Under these laws, there are 11,920 Boards comprising boards for officers in Group 'A' that is for all PTD Officers, graduate Education Service Officers from Senior Timescale and above and officers from other services from Superscale 'G' and above which is chaired by me, and 140 other Boards for various other officers in Group 'A', 973 Boards under Group B, and 9810 Boards for Group 'D' employees.

6. Under the Education Service Disciplinary Board Regulation of 1974 P.U.(A), 90, there are 25,073 Disiplinary Boards of which one board is for Group A which is chaired by me, another board for Group A in the Ministry of Education, and 8357 Boards for Group B, 8357 Boards for group C, and 8357 Boards for Group D. Of the total of 25,073 Boards 24,921 are at the school level, 105 are at the college and Polytechnic level, and 42 at the State Education Department level. Secretaries General of Ministries, Directors General of Departments, Directors and other Heads of Departments are the Chairmen to these various boards.

7. Disciplinary Boards for Group A, B and C in the Ministries/ Departments possess full power to take disciplinary action other than with the objective of dismissal or demotion. Actually, the powers that are given

to the Heads of Departments to take disciplinary action ought to be utilised fully to increase discipline in the Ministries and departments. On the contrary, there are Heads of Departments who are reluctant to use those powers. I am of the opinion that this situation has occurred because of the following factors;

(i) The attitude of the Head of Department who wants to be popular; there are Heads of Departments who are aware of violation of discipline committed by their subordinate staff but close their eyes because they want to be considered as a Head of Department who is good, caring and considerate;

(ii) There are also Heads of Departments who consider carrying out disciplinary action as work which is difficult and unimportant. At the same time, there are those who do not have knowledge regarding the administration of disciplinary action.

(iii) A number of Heads of Departments also consider work regarding discipline as ancillary duties. This attitude causes them to give a low priority to matters concering discipline.

(iv) There are also Heads of Departments who prefer to take administrative action because they consider disciplinary action as not so effective and the process of disciplinary action will possibly take a long period of time.

(v) There are Heads of Departments who consider that disciplinary action will cause their departments to have an image which is not good. As such they prefer to sweep the matter under the carpet.

(vi) There are Heads of Departments who are reluctant to take disciplinary action because they are excessively sympathetic; and

(vii) There are Heads of Departments from among the professional officers who consider disiplinary proceedings as the duties of an administrative officer and abdicate their responsibility to the administrative officer.

Disciplinary Guidelines

8. In view of the fact that there are many disciplinary boards, and also many cases being considered, and that chairmen of the board and the officers of the secretariat of the board are frequently being transferred, it is very essential that guidelines be prepared so that disciplinary action can be carried out with full justice and expeditously. To safeguard the interest of the Government officers and in order that the power is not abused by Heads of Departments and the Disciplinary Boards, appeal boards have also been set up and those who are dissatisfied with the decisions made against them can appeal to the appeal boards concerned.

Matters that need to be given attention

9. In the administration of disciplinary action, Heads of Departments and disciplinary boards must consider the following matters;

(i) The report made by the supervisor as the reporting officer must give a clear picture of the misconduct committed and must be complete with relevant documents.

(ii) The report must be prepared expeditiously. Heads of Departments must not have the usual habit of collecting other wrongs before action is taken, because this can be misconstrued as having a bad intention against the officer concerned.

(iii) The ascertainment of a prima facie case must be made by a disciplinary board.

(iv) The complaint letter must show clearly and precisely the offence committed and must also comply with the requirements of natural justice.

(v) The administration of disciplinary action must be handled expeditiously so as to achieve the desired effect.

(vi) The officer must be given at least fourteen days to make representation against the charge.

(vii) The punishment must be commensurate with the offence committed.

Principles of Natural Justice

10. In taking disciplinary action, the disciplinary board must follow the principles that are found in natural justice, that is, the principle of impartiality and the principle of a right to be heard. Failure to comply with the disciplinary procedures as found in General Orders Chapter 'D' 1980 and with natural justice will result in a disciplinary case being lost when challenged in court. Many Government officers who were dismissed either by the Service Commissions or by Disciplinary Boards for Group 'D' in the Ministries/Departments have been reinstated by order of court.

Reference Books on Administration of Disciplin

11. I am aware that there are Disciplinary Boards which do not know the correct disciplinary procedures according to law. What is the misconduct that can be subjected to disciplinary action? How is a proper disciplinary charge prepared? What are the principles of natural justice that must be complied with in the administration of disciplinary action. All these matters

and other matters are contained in the four books that are now being launched: ie.

(i) **Guide to the Administration of Disciplinary Action** which contains the procedures for taking disciplinary action;

(ii) **Examples of Disciplinary Cases** which contain examples of disciplinary cases in Ministries and Departments;

(iii) **Examples of Charges in Disciplinary Cases** which contain examples of charges for various disciplinary offences; and

(iv) A book entitled **"Disciplinary Cases which were Brought to Court"** which contains disciplinary cases that have been brought to court.

12. This is the first time in the history of the Public Service that books containing very comprehensive guidelines concerning discipline have been published. These books should be used as references to ensure that disciplinary action is taken in accordance with the law and that cases will not be lost when challenged in court. These books must also be used as reference books in training courses regarding the administration of discipline organised by the Public Services Department and INTAN.

SPEECH DELIVERED AT THE 'Q' CEREMONY AT HILTON HOTEL, KUALA LUMPUR —28 APRIL 1992

This Q ceremony, which is the fourth in the series, is to honour 414 officers in categories Superscale 'G' to 'C,' who are a part of the 763 officers who were promoted by the Public Service Promotion Board during the period 31.10.1991 to 10.12.1991. The others will be invited to similar occasions in the future.

Promotion And Responsibility

2. Ladies and gentlemen, your promotion is most meaningful, for it not only brings along financial rewards but more so, it is a recognition of execellent performance and of your potential to handle more responsibilities. With this promotion, your roles and responsibility as senior officers in your departments will definitely increase.

3. Tonight, I will take this opportunity to expound my views on discipline within the Public Service.

4. Senior officers in the Public Service are entrusted with wide authority including the power to approve and reject licences and other applications. These powers must be exercised in a trustworthy manner. Trustworthiness is seen from the following actions: (i) spending time fruitfully; (ii) completing work on time; (iii) utilising public properties according to rules and (iv) being free from corruption and wastage. On the other hand, dishonesty can be seen from the following actions: (i) negligence at work; and (ii) doing personal work on the pretext of official duties.

5. Before the year 1966, the power to enforce discipline lay in a neutral body, i.e. the Public Service Commission. When Section (5B) was inserted into Clause 144 of the Federal Constitution, this power was henceforth entrusted to Heads of Departments with the exception of the power of dismissal and demotion for officers in Categories A, B & C. These powers are contained in the Public Service Promotion Board Regulations of 1972 (P.U. (A) 48) and the General Orders for Public Officers (Conduct and Discipline (Chapter 'D') 1980.

6. Currently, there are 36,993 Disciplinary Boards at various levels in Ministries, Departments and Schools. To enable them to function effectively, various regulations and circulars on the management of discipline and guidelines were issued. Therefore, it is the duty of every Chairman and member of the Disciplinary Boards to understand in detail every aspect of the regulations and exercise the power vested in their hands fairly.

7. Overall, there is a high level of "discipline" in the government. This is seen by the stern actions taken by every branch of the government, be it the public sector, the army or the police against members who have breached regulations.

8. In 1991, as many as 1,615 members of the Federal Public Service have been subjected to disciplinary action. Of these, 53 were from Category A, 44 from Category B, 475 from Category C and 1,043 from Category D. They form 0.37% of the total number of 440,162 members of the Federal Public Service, excluding the Armed Forces and the Royal Malaysian Police.

9. From the total number of cases of disciplinary actions, **failure to report for work** formed the highest number, with as many as 646 cases followed

by 410 cases of **negligence at work** and 147 cases of **late arrival/early departure**. The balance consists of various wrongdoings stated in Chapter 'D' of the General Orders.

10. As the Chairman of the Public Service Promotion Board for senior officers, I would like to cite a few cases which occured in 1991 and 1992 as a **reminder and lesson** to all of us :

(i) *Officers Who Breached Discipline On The Verge Of Retirement*

Officers who are approaching retirement are not spared from disciplinary action. For example, there is the case of a professional whose term of service was extended beyond his compulsory retirement date under the Pension Act to enable disciplinary action to be completed. During this time, the officer concerned was considered to be on no-pay leave and all his retirement benefits were frozen until the case was over. This shows that officers close to retirement must not assume that they will be able to escape from disciplinary actions if they choose to commit offences in their last days in service. Therefore, officers should maintain their integrity to the very last minute of their service so as not to waste their service and all their contributions. This is because the action taken can result in the officer concerned losing all his retirement benefits if such disciplinary action involves job termination.

(ii) *Officers Who Mishandled Financial Allocations*

Officers who are entrusted to handle the expenditure of the nation's funds should exspend according to financial regulations. In one case, a Head of Department at the state level was found to

have wrongfully spent the money which was approved for the fixing of air conditioners to renovate his office instead. For this, he was surcharged under the Financial Procedure Act for "improper payment".

(iii) *Officers Who Were Negligent And Irresponsible*

Several cases involving officers who were negligent and irresponsible have been brought to the attention of the Disciplinary Boards. Among them are the following:

(a) 2 Heads of Departments at the state level are facing disciplinary action because of failure to respond to letters from the Headquarters despite many reminders.

(b) A senior officer with the Broadcasting Service had approved payment without examining the genuineness of the claims from a supplying company and this caused the Government losses in terms of tens of thousands of dollars. Surcharge actions were imposed on him. Since the officer had already retired, the amount of surcharge was deducted from his pension fund.

(c) In another case, an officer responsible for supervising the office's daily revenue collection has neglected to supervise his staff, which gave rise to opportunity for his subordinate staff to misappropriate $24,000 of Government funds. Surcharge action is being taken against the officer concerned, while the staff who misappropriated the money was sacked.

(d) There were two cases of negligence involving 2 headmasters who failed to make EPF deductions for their staff until the Government was forced to pay 'compensation', i.e. to pay for the workers' contributions which should rightly have been paid by the workers themselves. Both of them are currently facing surcharge action.

(e) In 1991, a senior PTD officer was sacked due to negligence and irresponsibility in approving gambling licences without obtaining the approval of the Minister concerned.

(f) In another case, a Chief Assistant District Officer gave inaccurate reports on the land use situation, resulting in overlapping decisions by the State Government concerned. This became a controversy which has jeopardised the image of the Government. Disciplinary actions are now being instituted under the General Orders against the officer concerned, for either job termination or demotion.

(iv) *Officers Who Took Bribes And Abused Public Positions For Self Interest*

There was a case of a District Officer who received cash and funds for an overseas trip for his support to a local company in getting a tender award for a development project in a particular district. There was also a case of a Chief Assistant District Officer who falsified the minutes of meetings with the intention to mislead the state authorities into granting approval for land applications for his wife and father.

(v) *Officer Who Critised Government Policies Through Improper Channels*

A senior officer is currently facing disciplinary action for criticising Government policies through the newspapers and magazines. Such actions can put the Government in a dilemma and jeopardise the good name of the Public Service.

(vi) *Officers Who Disregarded Official Instructions*

There were 3 cases of senior officers who disregarded the punch card ruling. The three were given either optional retirement, job termination in public interest and one of them is facing another disciplinary action. The results of investigations by the Public Complaints Bureau also revealed several officers who dealt with the public without abiding by official instructions.

(vii) *Officers Who Disregarded The Directive To Declare Assets*

As we know, the Government issued directives on the declaration of assets way back in 1984 and this was followed by various forms of reminders, either thorugh letters or speeches via the mass media. With this, stern actions have been taken by Disciplinary Boards against officers who have disobeyed the instruction. The actions are as follows :

(a) A Superscale 'E' officer was sacked because of refusal to adhere to the instruction despite several reminders and ample time being given to enable him to declare his assets.

(b) A Superscale 'G' officer has opted to resign to escape himself from disciplinary action because he is unwilling to declare his assets.

(c) Two officers who mishandled property reports in a state department which resulted in the loss of these reports may face disciplinary actions due to such negligence.

(viii) *Officers Who are Drug Addicts*

This year, 3 members of staff have been sacked due to drug abuse.

(ix) *Officers Who Misbehaved On Duty*

I was informed from the outcome of the investigations conducted by the Public Complaints Bureau that several officers who dealt with the public have misbehaved at work and raised doubts in the minds of the public concerning the honesty of these officers. As a result, 4 of them were sacked in the public interest while 10 are facing disciplinary action.

12. Besides the efforts by the various Disciplinary Boards to uphold discipline, the Anti-Corruption Agency also plays a role in curbing misappropriations and bribery in the Public Service. From the reports that I received, 165 civil servants were nabbed by the ACA in 1991 until March 1992. They comprised 12 in Category A, 15 in Category B, 44 in Category C and 94 in Category D. In the same period of time, as many as 106 officers were tried, that is 13 in Category A, 12 in Category B, 26 in Category C and 55 in Category D. During the same period, 84 were convicted by the Court.

13. The ACA has also referred several cases of misappropriation to the Disciplinary Boards. From the year 1991 to March 1992, 159 cases were referred, out of which decisions were arrived at in 57 cases while 102 cases are still pending.

14. I have been informed that the Police and Army are also taking the necessary disciplinary action. To complete the picture on the situation of discipline in the Government, I shall mention in brief the disciplinary actions taken by the Police and the Armed Forces.

15. In 1991, as many as 2,388 senior police officers have faced disciplinary action. In 1991, 331 officers and members of other grades in the armed forces have faced various disciplinary action.

16. The influence of positive examples can bring about many good effects as much as negative examples can bring about bad consequences. Prophet Muhammad pronounces : 'The best of you are those that benefit others'. It means that the best people will influence others whether from the point of view of leadership, teachings, character, speech or behaviour to bring good to others. The worst danger that confronts the younger set of officers and staff is the bad example set by a few older officers. A good example has twice the value of good advice. So the greatest gift the senior officers can bestow on others is the setting of good examples. People are less convinced by what they hear than by what they see.

SPEECH DELIVERED AT THE 1990 ANNUAL GENERAL MEETING OF THE ASSOCIATION OF THE ADMINISTRATIVE AND DIPLOMATIC SERVICE AT INTAN BUKIT KIARA, KUALA LUMPUR—23 JUNE, 1990

We should be grateful because we are in a country that has been endowed with a beautiful and natural environment and which possesses many natural resources for developing the economy of our beloved nation. After 20 years of implementing the New Economic Policy, the country has achieved remarkable progress in the development of its economy to address the social problems of poverty and racial economic imbalances. In the process, the incidence of poverty and the sharp inequalities in income among the communities have been reduced. The nation's GDP grew at an annual average rate which compares favourably even with some of the developed countries. Export of goods and services grew by 8.8%. The most remarkable achievement is with respect to exports of manufactures which rose from 12% in 1970 to 55% in 1990, in line with our policy of industrialization.

The role of the Administrative and Diplomatic Service in Policy Implementation

2. The strong standing of the economy is the result of good planning and implementation policy where officers of the Administrative and Diplomatic Service have played a very large role in their capacities as Secretaries General of Ministries, Directors General and Directors of various Departments, State Secretaries, District Officers and Heads of Statutory Bodies and Government companies, and in many other important positions.

4. This year the Hon. Prime Minister has himself acknowledged the role of the civil service. I refer to the headline entitled "Pat On The Back For Civil Servants" in the New Sunday Times dated 11 March, 1990: Prime Minister, Dato' Seri Dr. Mahathir Mohamad today praised Government Servants, including Armed Forces and Police Personnel, for their positive contributions in the maintaining of political stability, peace and prosperity in the country. He also praised civil servants for their understanding of the working of democracy and the right of the people to elect the Government of their choice. Congratulations to the Civil Service.

Administrative and Diplomatic Service - Elite Service

5. The Civil Service now consists of 711,290 persons. Of this total, 2,960 are officers of the Administrative and Diplomatic Service. Even though the number is small, this service is often referred to as an elite service and the backbone of the national administrative machinery.

6. In the pre Independence era the civil service was synonymous with the Malayan Civil Service (MCS). The Administrative and Diplomatic Service must always stand resolutely behind the Government and give its undivided loyalty towards national interest while rendering good service to the people. The Administrative and Diplomatic Service must always take the role of leadership and set a good example. Officers of the Administrative and Diplomatic Service must also contemplate changes in the civil service which can expedite national economic growth and provide more effective service to the people. For example, while implementing the Malaysia Incorporated Policy, the members of the Administrative and Diplomatic Service who hold important positions must give thought to the nature of change and adaptation required through review of procedures and regulations which are no longer appropriate and to the reduction of lengthy processes and bureaucratic "red tape".

Decision Making

7. The Government also requires that officers who have been given statutory and administrative powers make decisions fairly, justly and expeditiously.

8. In this connection, I believe many Administrative and Diplomatic Service officers consisting of Secretaries General, Directors General, State Secretaries and District Officers possess specific powers. I wish to advice that these officers prepare guidelines and criteria for making their respective decisions so that these decisions can be made expeditiously, fairly and objectively. In my view, without the preparation of definite basic criteria, officers will be forced to use their discretion and this can give rise to an undesirable state of affairs.

Monitoring System

9. I also hope that Heads of Departments have a more effective system of monitoring, for all decisions of Government especially those made by the Cabinet and Executive Councils. Delay in implementing decisions will jeopardise the credibility of the civil service and national development. Administrative and Diplomatic Service officers who are Secretaries General of Ministries and Heads of Departments must always develop new procedures to ensure that Government decisions are implemented by subordinate officers and also the implementing agencies comply with the set objectives and schedules.

Quality

10. In the process of making changes and adaptation, Administrative and Diplomatic Service officers need to give emphasis to quality, whether at the individual level or in the service that is provided. On the personal front,

Administrative and Diplomatic Service officers must possess characteristics such as being able to give orders, good ethics and a professional attitude. There are many management mechanisms, that can be utilised for improving productivity. For example, setting up guidelines, regulations, checklists and up-to-date procedures. Administrative and Diplomatic Service has the potential to provide professional and quality service based on the fact that many of its members possess higher level qualifications, for instance there are 36 officers with Phds. and 728 have masters degrees.

Excellent Service Core

11. I wish to take this opportunity to remind all Administrative and Diplomatic Service officers to carry out their respective duties and to be guided by especially the Excellent Service Core; in particular two which are realted to, namely the Third Core: Striving to excise the attitude of self interest and the Seventh Core: Holding firmly to the teachings of one's religion. In the Management Ethics Seminar organised by University Utara Malaysia on the 9th of March this year I have expressed my views in the working paper entitled "Ethics and the Public Service" and I quote a part of my views. "There are a number of very practical reasons why integrity is so important as you move up in the civil service hierarchy. For one thing, many decisions are made or have to be put in the hands of subordinate officials whose work cannot always be double-checked. If you are going to weigh a person down with ever increasing responsibility, you have to be able to count on him, and that presupposes your trust and belief in him. Honesty is one of the most important facets of personal integrity, because the Government wants to be able to count on you when you research a problem or an issue and then present it to the leaders of Government for their evaluation and decision".

12. With regard to honesty I have stated as follows "Both basic honesty and intellectual honesty are among qualities which we include under the general heading "integrity". But they differ from one another in that simple honesty involves being truthful and honest with others, while intellectual honesty involves being honest with yourself. Good judgement, which is the key quality in performing well as a higher civil servant, is rooted in the ability to be completely objective in making important decisions. And objectivity arises directly from the capacity to assume an intellectually honest perspective on things, to step back and view a plan or a project already in motion with cool detachment. But if a person's desire for a good result obscures the facts that he knows to be true, he becomes incapable of being objective in exercising good judgement."

SPEECH DELIVERED AT THE OFFICIAL OPENING OF THE SEMINAR FOR DISTRICT OFFICERS IN KUCHING, SARAWAK—8 JULY 1990

ROLE OF THE DISTRICT OFFICER

Tan Sri Dato' Mubin Sheppard writing in his book "**Memoirs Of An Unorthodox Civil Servant**" on page 105 says:

> **"The District Officer of Klang had a profusion of responsibilities ... he was Chairman of the Town Board, Chairman of the Rubber Licensing Board, Collector of Land Revenue, Chairman of the Excise Licensing Board, and the Rent Assessment Board, and of seven drainage boards. He was a member of the Port (Swettenham) Advisory Board, and was ex-officio president of the Klang District Boys Scouts Association, the Klang Chinese Maternity Hospital and The Mariners Club Committee. He was also a member of the State Legislative Council and the State Penghulu's Committee. During the next two years the list grew appreciably longer." This was in 1949.**

2. Robert Henssler in his book "**British Rule In Malaya 1942 - 1957" on page 133 about the District Officer states that the D.O. had to write monthly reports to the Resident Commissioner who would ask questions about crops, roads, schools, collection of taxes, justice, the performance of penghulus, clerks, police and members of the technical departments.**

On page 213, he wrote:

"A Malay Kathi appeared in the office with a boy and a girl who wanted to be married and said he would not perform the ceremony without the D.O.'s permission".

3. The District Office must be strengthened for the following reasons:

   (i) To enhance motivation and the potential for leadership in administration. According to the Public Services Department, of the 2,806 Administrative and Diplomatic Service Officers, 2499 (89.1%) are in central agencies, 146 (5.2%) in state administration and 161 (5.7%) in the districts;

   (ii) As a mechanism for the improvement of service delivery at the grass-root levels through more effective administration of local authorities, regional planning and improved technical services

   (iii) To accelerate the pace of social engineering so as to bring about positive changes in the attitudes of the rural community.

   (iv) To provide Government services such as the issuance of licenses, permits and so on.

RECOMMENDATIONS

   (i) The District Officer should be the Collector of Land Revenue and, the Head of the District Council/Local Authority;

   (ii) The District Office should play the role of a one-stop centre for various government services;

   (iii) The Distict Officer should be the principal co-ordinator for district level development through the various district action committees;

   (iv) The Distirct officer should provide the main impetus for the implementation of the Malaysia Incorporated Policy at the district level.

CURRENT ISSUES

(i) There is still poverty in the rural areas. The incidence of poverty in Peninsular Malaysia declined from 49% in 1970 to 15% by the end of this year. In terms of the regional dimension, poverty levels in the states of Kedah, Perlis, Kelantan, Terengganu, Sabah and Sarawak are much higher than the national average. Reducing poverty is not merely a matter of raising productivity and real incomes. Poverty is also a consequence of limited access to basic amenities and services such as food and nutrition, education, health and treated water supply, especially in the rural areas.

(ii) The profile of the unemployed show that unemployment is concentrated among school leavers.

(iii) The thrust of the National Agriculture Policy is to increase productivity, efficiency and competitiveness through the modernization of smallholdings and commercialization of agricultural production, the focus on new land development, in-situ development as well as improving support services, aquaculture projects either as full-time or mixed activities to generate income.

(iv) To guide small businesses, particularly in the wholesale and retail sector. In 1985, 30,000 licences were issued by 50 district councils in Peninsular Malaysia, and of these only about 15% were held by *Bumiputera* traders.

SPEECH DELIVERED AT THE DINNER FUNCTION OF THE ASSOCIATION OF THE ADMINISTRATIVE AND DIPLOMATIC SERVICE AT PARK ROYAL HOTEL—28 NOVEMBER 1990

The Administrative And Diplomatic Service is viewed as integral to the Public Service because its officers are at the helm of major and strategic agencies in various fields such as management, economics, finance, security and foreign relations. There is ample opportunity for promotion in the Administrative and Diplomatic. Of the 2715 Administrative and Diplomatic Service posts in the home sector, 939 or 35% are superscale posts. Of this number, all Secretaries General, 17 Directors General of Federal Departments, 7 State Secretaries, 3 Secretaries of Commissions and 43 District Officers are from the Administrative and Diplomatic Service. Twenty-three of the Administrative and Diplomatic Service officers seconded to Statutory Authorities hold the post of Director General or General Manager. Nearly all our Ambassadors and High Commissioners are Administrative and Diplomatic Service Officers.

2. Senior Administrative and Diplomatic Service officers are entrusted with very wide statutory and administrative powers. As an example, Secretaries General and Heads of Departments are also Controlling Officers and Accounting Officers. They are also responsible for the implementation of policies, strategies and programmes in various fields in accordance with the position held. Administrative and Diplomatic Service officers have important powers in Central Agencies such as the Ministry of Finance, the Economic Planning Unit, The Implementation Co-ordination Unit, MAMPU and the Public Services Department. At the district level, the District Officer holds powers as the Collector of Land Revenue, Chairman of the Local Authority, Chairman of the District Development and Action

Council and Officer incharge of security. All these indicate the wide influence that the Adminstrative and Diplomatic Service has over the society and the nation in general.

Heritage Of the Administrative and Diplomatic Service

3. The basic issue which needs to be addressed is how can the Administrative and Diplomatic Service ensure the continuity of this tradition. The perception of a service as a premier service is not solely based on the powers wielded or the important positions held. The yardstick used is more the tradition of achievement of excellence in performance in the areas of responsibility held. The Administrative and Diplomatic Service officer still has the confidence of the national leaders of the nation.

The Administrative and Diplomatic Service as a Premier Service

4. At present, the Administrative and Diplomatic Service comprises officers who have qualifications in specified areas such as human resource and organisational management, financial management, economics, local administration, socio-economic planning and administration, foreign relations and foreign affairs, and national security and defence. The Administrative and Diplomatic Service now has 39 officers who hold qualifications at the Ph.d level, 682 officers with qualifications at the Masters level, and 246 officers with post graduate diplomas. These qualifications do not include the diploma which must be obtained by cadet officers in order to enter the Administration and Diplomatic Service. To further upgrade the quality of the Service, in future, more refresher courses will be held to keep senior officers abreast with the latest developments in their respective fields of operations and in related subjects as well as with the changing techniques in governmental operation.

5. Administrative and Diplomatic Service officers should possess a sense of pride and belonging to the Service; the sense of being honoured to belong to a service whose proven traditions have been established by men of such distinction that they would have stood out in any field. A good Administrative and Diplomatic Service officer must possess a genuine interest in the people, vigour, imagination, the ability to make things hum and a willingness to speak for the right as one sees it, even if it means ruffling the feathers of powerful superiors.

6. The quest for an efficient Administrative and Diplomatic Service is dependent on personnel with specialised knowledge and skills. Selection, emplacement, training and career development as well as performance evaluation must be given close attention to sustain the efficiency and effectiveness of the Administrative and Diplomatic Service officers. A system of job rotation must be systematically implemented. Young Administrative and Diplomatic Service Officers should be given exposure to district administration, before being posted to central agencies and Ministries. Young officers in the service should also improve their communication and interpersonal skills, since the service will increasingly be dependent on the capacity to maintain good relations with the others such as the party in power, political leaders, the business community both local and foreign, as well as the public at large. This will not only assist in improving the image of the Administrative and Diplomatic Service but also consolidate its position.

7. I would like to remind Secretaries General and Directors General and those below, of our own vulnerability, if we are not professional enough in the performance of our duties. Those of us who are vested with statutory and

administrative powers, should exercise them with due care and objectivity. The conferment of these powers has made us individually answerable. Hence, you have to formulate a set of criteria, approved by the Government, in the exercise of these powers. This is the concept of accountable management.

SPEECH DELIVERED AT THE SEMINAR "COUNSELLING: STRATEGY FOR QUALITY IMPROVEMENT" AT INTAN BUKIT KIARA, AUDITORIUM—29 OCTOBER 1990

The Public Service must give due attention to productivity improvement and also the quality of work output of its officers and staff in the various Ministries and Departments. Work productivity can be improved through office automation, robotics and computers. But people are the most valued asset in your Ministry or Department. The development and improvement of human resource must therefore be the primary concern of management.

Deficit Performance

2. Deficit performance or decrease in work output of officers and staff of our Ministries and Departments may arise from personnel weaknesses, absenteeism, conflict amongst members, failure to abide by instructions, behaviour that does not conform to relevant work norms of the Ministry or Department, untrustworthiness and other similar causes. The Ministry of Health informed me that an officer or staff member of the Department may experience 3 types of stress. The 3 types of stress faced by a person are as follows: firstly, through physical causes arising from exhaustion and fatigue due to overwork, irregular meals and working hours, physical illness etc; secondly, endocrine causes, in males above 45 years of age, and in females due to menopause, premenstrual tension; thirdly, psychological stresses, namely life events such as bereavement—death of spouse or close family member, marital disharmony, divorce, health problems among family members, financial problems, problems with children, and change in religion and activities.

Behaviourial Change

3. The behaviour of an officer may change due to psycological stress. In this regard, I like to list down 5 behaviourial changes that will be apparent:

(i) The officer or staff member may be more withdrawn, reclusive, fail to cooperate without apparent reasons;

(ii) The officer or staff member may show a loss in motivation and productivity;

(iii) The officer or staff member may be restless, agitated,for example unable to sit still or may be unpredictable;

(iv) The person may neglect grooming and his manner may deteriorate. He may not be clean and may not take a bath or change unless reminded; and

(v) Co-workers or subordinates may have frequent complaints about the officer or staff member, where such complaints were not forthcoming previously.

4. At the moment I do not have information on the actual number of civil servants experiencing such personal problems such as those which I have highlighted. However, of late there is an awareness of the need for effective counselling to resolve such personels problems.

Counselling Programme

5. Counselling programmes or activities have long existed in local higher educational institutions. The University of Agriculture, and the National University of Malaysia have counselling programmes. The Public Services Department is in consultation with the Public Service

Commision to identify the types of services which will require psychological tests to determine the suitability of candidates for appointment. As a pilot project, this psychological test has been carried out in the recuritment exercise for Assistant Investigation Officers for the Anti-Corruption Agency conducted in 1989. Such a test is being considered in the forthcoming selection exercise of candidates for the Administrative and Diplomatic Service (ADS) as one of the means to ensure suitability.

6. The Public Services Department will give due emphasis to the extension of counselling programmes to public servants who are in need of counselling. The Public Services Department is also taking action to a appoint psychologist to advise Heads Of Department on the pressing need to provide counselling and guidance services in their respective Departments.

Training

7. I wish to add that 'counselling' is a service where a counsellor who is experienced in human relations is able to assist others with a problem. It is generally practised by those who have had training and expertise, and they include doctors (including psychiatrists), psychologists, nurses and even layman who have undergone special training. In the context of management, the type of counselling that would be carried out by senior staff would mainly be supportive and short term to help officers and other staff cope with their problems. Members of the staff who are afflicted with serious types of stress such as those that I have mentioned earlier, may benefit by consulting doctors, psychiatrists or psychologists. Please ask your afflicted staff member to go to a creditable counsellor. I am reminded of a small joke. ' A patient once complained to his psychiatrist that he was forgetting things.

"What shall I do?" he asked. "Pay me in advance", the doctor advised. I have a story about the mercenary psychiatrist. It goes like this.

Psychiatrist to patient: "That'll be $75."

Patient: "Why $75? All the others only charge $50"

Psychiatrist: "It's part of his tratment. It will help you to attach less importance to money and material things."

8. Here, I would like to stress again of that the problems faced by staff in our Ministries and Departments can be resolved through effective counselling. It can provide many benefits such as reducing absenteeism, improving the well-being, happiness and morale of staff and also generally increase their capabilities.

Implementation of Counselling Services

9. In this regard, I would like to propose that counselling services be introduced gradually in several selected agencies in the Public Service. As a first step, Heads of Department should identify potential counsellors from amongst officers in their own Department and draw up a training programme for them. Heads of Department must also identify members of staff who require counselling. Some points to be considered in conducting counselling sessions include the following:

They should

(i) be conducted by reasonably senior and mature staff members;

(ii) maintain privacy and confidentiality;

(iii) think and plan carefully about what needs to be said, and avoid careless comments, or jumping to conclusions or saying too much;

(iv) be neutral and not pass moral judgements.

SPEECH DELIVERED AT THE DINNER IN HONOUR OF RETIRING SENIOR CIVIL SERVANTS AT THE SAUJANA GOLF AND COUNTRY CLUB, SUBANG, SELANGOR—26 JULY 1991

Tonight we express our best wishes to four retiring senior officers who have displayed distinguished leadership, and, at the same time express our heartfelt congratulations to several others on their recent appointment to key posts in the Government administration. With the retirement of The Hon. Tan Sri Dato' Seri Zain Azraai on 27th July, the civil service will be losing the services of a highly capable Administrative and Diplomatic Service officer. I first came to know him when I reported for work as the Secretary to the Cabinet Division in the Prime Minister's Department way back in 1972. At that time he was working as the Principle Private Secretary (Special) to Tun Razak. My meeting with him was brief and limited to a short exchange of words. He spoke in his Oxford accent. I was instantly impressed by his fine personality.

2. The hon. Tan Sri Dato' Seri Zain Azraai has a distinguished service record. He was Malaysia's Ambassador to the U.S.A and has also been the Ambassador/Permanent Representative of Malaysia to the United Nations. He has the rare distinction of serving both the Home and the Foreign sectors, culminating in his appointment as Secretary General, Ministry of Finance.

3. The post of Secretary General, Ministry of Finance is a powerful post. In that capacity, he was once Chairman of the Government Officers Housing Company, a board member of Petroleum National Berhad, Bank Negara, Malaysia Airline System, Foreign Investment Committee, Takeover Panel, Committee on Invisible Trade, Malaysian Institute of Economic Research

and Malaysian Industrial Development Fund; he served as a member of the National Development Planning Committee and the Armed Forces Council. **All men are honest—until they are faced with a situation tempting enough to make them dishonest.** Tan Sri Zain Azraai has performed all the tasks entrusted to him with the highest standards of honesty and integrity. He played a very prominent role as a member of the National Development Planning Committee in the formulation of the Second Outline Perspective Plan and the Sixth Malaysia Plan. I have worked very closely with Tan Sri Zain Azraai. He has been very supportive of my efforts to improve the performance of the civil service through his membership of the Panel on Administrative Improvements To The Civil Service which I chair. In all the boards, committees and councils, where he was a member, we have often benefitted from the sharp edge of his mind. He used soft words and hard arguments. As the top Treasury representative, he often reminds us as follows: "**Proportion your expenses to what you have, not what you expect**". A very sound advice indeed.

4. Amateurs in leadership like to flex new muscles, dazzling themselves and their coteries with the play of power. They worry that if mastery is not frequently demonstrated, it may atrophy. For all his awesome administrative power Tan Sri Zain Azraai has always used it like a gentleman. He strives for that nobleness of self and mildness of character which imparts sufficient strength to lead his officers.

5. The Hon. Tan Sri Dato' Abdullah Ayub is retiring as Chairman of the Public Services Tribunal, which post he held for ten years with distinction. He is also a true gentleman. He has delivered many good judgements. As **Woodrow Wilson** once said "**one cool judgement is worth a thousand hasty councils**".

6. His replacement is The Hon. Dato' Abdul Malek bin Abdul Aziz, who retired from Government service earlier. With his 29 years of experience in the civil service and having a honours degree in law, he is ably qualified to discharge his new duties effectively.

7. I also take this opportunity to express my best wishes to Encik K. Jegadeva, Chief Inspector of Schools, who is retiring after nearly 31 years of distinguished public service.

8. Before the end of the year, there will be a few more civil service reshuffles. There are three rules of sound administration: **pick good men; tell them not to cut corners; and back them to the limit; and picking good men is the most important**. The English proverb also reminds us: **"Do not put the saddle on the wrong horse".**

9. I hope that officers who are appointed to new positions will find them commensurate to their skills and interests.

10. Tonight I am greatly pleased to announce some new appointments as follows:

(i) The Hon. State Secretary of Selangor, **Dato' Abdul Halim bin Dato' Haji Abdul Rauf**, will take over the post of **Deputy Secretary-General (Senior)** in the Prime Minister's Department with effect from 1st August;

(ii) with the consent of HRH the Sultan of Selangor, **Encik Ahmad Zabri bin Ibrahim**, Secretary-General, Ministry Of Youth And Sports, will be assuming duties as the new **State Secretary Of Selangor**;

(iii) **Encik Abdul Wahab bin Adam**, who is currently the Director-General Of The Malaysian Fisheries Development Board, will take over the post of **Secretary-General, Ministry Of Youth And Sports** as a replacement for Encik Ahmad Zabri bin Ibrahim with effect from 1st August;

(iv) The Hon. Dato' Albert Sextus Talalla, former ambassador to the United States, will be appointed as the **Director-General, Institute For Diplomacy And External Relations in the Prime Minister's Department**, which has just recently been established;

(v) **En. Nik Mohd. Affandi bin Nik Yusoff** will be transferred from the post of Secretary to the Foreign Investment Committee to the **Capital Investment Committee** as a replacement for Dato' Azizi bin Yom Ahmad with effect from 22nd July;

(vi) **Cik Siti Hadzar bte Mohd. Ismail**, Director of the Energy Sector in the Economic Planning Unit, Prime Minister's Department will be appointed as the new **Secretary to the Foreign Investment Committee** with effect from 1st August;

(vii) **Encik Saedon bin Daud**, Johore State Development Officer, will be appointed as the **Director-General of the Malaysian Fisheries Development Board** with effect from 16th August.

11. To those who are retiring, I have no profound advice to offer, being much younger than all of you. However, in order also to remind myself, the older we get the more we find truth in **the ancient rule of taking first things first**. Your health comes first; without that you have nothing. The

family comes second. Your business comes third. You better recognise and organise those first two, so that you can take care of the third. There is a time to stay and a time to go. You tip your hat when you are on top, and say goodbye.

SPEECH DELIVERED AT THE FUNCTION IN HONOUR OF RETIRING SENIOR CIVIL SERVANTS AT THE REGENT HOTEL, KUALA LUMPUR, —25 SEPTEMBER 1991

The Excellent Service

Ten of our friends are retiring from the Government services. This function is to thank them for their excellent performance in their respective fields in serving the nation. Five out of the ten retiring officers are 'relics' from the University of Malaya which was located in Singapore at that time. They are The Hon. Dato' Mohd. Hussaini bin Abdul Jamil, The Hon. Dato' Mohd. Tarmizi bin Tahir, Mr. Mohd. Yuhyi bin Ismail, Mr. C. Bavanandan and Dr. S.Paramarajah. The first four names, of course are of my vintage, being residents of the Dunearn Road Hostel in Singapore. The retirement of these five officers is almost final stage in the handing over of the batons of leadership, so to speak, from the graduates of the former University of Malaya in Singapore to the younger crop of officers.

2. With their retirement, not many other former graduates of the University of Malaya in Singapore will remain in the Government Service. Those who remain include The Hon. Dato' Asiah Abu Samah, the designate Director General of Education, Tan Sri Datuk Wira Abdul Rahman Arshad, Dato' Abdul Latif Sahan, Datuk Nasruddin Bahari, Dato' Sulaiman Hashim, Tan Sri Dato' Zainol Mahmood, Tan Sri Dato' Wong Kum Choon, Dato' Nik Mohamad Amin, Dato' Zainal Abidin Hj. Nordin, Dato' Sulaiman Osman, Encik Wan Hassan Wan Teh, Dato' Dr. Mohd. Shahari bin Ahmad Jabar, Dato' Zakiah Hanum, Dato' Abdul Halim Raof and one or two others. On October 18th. 1993 that is the retirement date of the baby of the group, Dato' Abdul Halim Raof, two years from now, all of them including me, will

become members of the Pensioners Club. Therefore, the dinner tonight, is of special significance to me because the officers who are retiring have been my collegues from university days.

3. The track record of all these ten officers is recorded in the souvenior book in your hand. In short, they have been successful in their careers. We rate ability in men by what they finish, not by what they attempt. To those who are retiring, on behalf of the Government, I would like to take this opportunity to say very special thanks for your services, and to wish you long life.

The Qualities of the Retiring Officers

4. I do not know very much about the personal qualities, except the biodata that I found in the official records, of those who are retiring tonight, with the exception of Dato. Hussaini, Dato' Tarmizi, Encik Yuhyi and Encik Bavanandan. No man is better than his principles. This is the notable feature of the officer who heads the list of officers who are retiring, The Hon. Dato' Mohd. Hussaini Abdul Jamil. He has worked for more than 20 years in the Ministry of Finance, and 8 years of his services were in the area of stores and contracts, one of the posts which is most exposed to corruption. He has withstood the test with outstanding merit. Dato' Hussaini is a shining example of an officer who is clean, efficient and trustworthy. All men are honest—until they are faced with a situation tempting enough to make them dishonest. Brains and beauty are nature's gifts; but good character is your own achievement. Let me now take a trip down memory lane—Dato' Hussaini and I have taken many train rides from Taiping or Ipoh together to return to the campus in the University of Malaya in Singapore, at the end of the holiday breaks, during the golden years 1958 and 1959 and had mixed freely in the campus of the Dunearn Road Hostel and also here in Pantai

Valley. Our close association started more than 33 years ago. Dato' Hussaini has remained a good and honest friend. Honesty gives a person strength but not always popularity. He calls a spade a spade. He has been trusted by the Government to turn around the Gula Padang Terap Company, to manage the Malaysian-Kuwaiti Investment Company and many other official assignments which require a high level of trust and integrity. They say: men of genius are admired; men of wealth are envied; men of power are feared, but only men of character are trusted. I can speak the same of Dato' Mohd. Tarmizi in particular, as well as the rest of you who are retiring.

Continuing Contribution To Society and The Nation

5. The fact that the other nine officers also retire under good circumstances also testify to their good character. I am sure that the wives, Datin Siti Alfiah and others will take good care of these new pensioners. Behind every successful man stands a proud wife. On behalf of my wife, Sagiyah, I wish you, Datin and others, happiness.

6. I hope that the officers who are retiring will have a full life, I mean you do something to keep you busy, not the thing that all of you have in mind. Always remember what someone said: "Marriage is the most advanced form of warfare in the modern world". So please avoid your own second world war! The key to a happy retirement is to have enough money to live on, but not enough to worry about. I do not know whether your wives would like you being around all day. Some wives appreciate their husbands the most while they are away at work. Retirement of a husband can be a traumatic experience for the wife. One wife's definition of retirement": Twice as much husband and half as much income". Many a retired husband becomes his wife's full time job. However, I believe that with your excellent service records, you can continue to contribute your services to society and the nation.

SPEECH DELIVERED AT THE DINNER IN HONOUR OF RETIRING SENIOR CIVIL SERVANTS AT CONCORDE HOTEL, KUALA LUMPUR— 6 DECEMBER 1991

First of all, on behalf of the Malaysian Government, I would like to wish ' Happy Retirement' to all those of our collegues here tonight who are retiring. This function tonight is held in honour of Government Servants who are retiring and also to felicitate those who have been appointed to higher positions. The significance of this function is to instill the value of 'thanksgiving' and also to honour and give appreciation to those who have sacrificed the best part of their lives in the service of the nation.

2. The officers who are retiring and are our guests tonight still look smart and well-groomed. I am not surprised to see radiant faces. It was Victor Hugo who once said that: forty is the old age of youth, fifty is the youth of old age. I hope that after hearing this quotation, your wives will not begin to feel insecure. Ladies, you should be proud of the excellent physical condition of your husbands. Age does not matter, as long as that which matters does not age. Since there are three former diplomats present here tonight, you may want to hear an annecdote of a diplomat who always forgot his wife's birthday. His wife grumbled about this. But this diplomatic husband said as follows to his wife: "How do you expect me to remember your birthday when you never look any older?" What a good excuse to forget your wife's birthday. With due respects to our ex-diplomats, I do not think our wives are impressed by such statements.

Excellent Service

3. Those officers who are retiring and are here tonight have contributed excellent and dedicated service to the nation and have achieved high

positions in their respective services. The Hon. Tan Sri Dato' Dr. Abdullah Abdul Rahman who retires as Director General of Health, was also a member of the Promotions Board and the President of the Malaysian Medical Association; The Hon. Dato Latiff Sahan has been the Secretary General of two Ministries; The Hon. Dato' Dr. Mohd. Shahari Ahmad Jabar has given a good name to our country through his meritious service as Director of the Asian Pacific Development Centre, and as the number two man at the Public Services Department; The Hon. Dato' Nik Mohd. Amin has also served as the Secretary General of two Ministries and can be said to be an acknowledged expert in social security. The Hon. Dato' Bakri, Raja Dato'Mansor Razman and Dato' Zainal Abidin Mokhtar have served the Foreign Service with distinction, and each one of them has held more than one ambassadorial appointments. The Hon. Dato' Michael Yu and Tuan Hj. Wan Yusuf have given excellent service, retiring as the Director General of the Highway Authority of Malaysia and the Director General of Posts respectively. Mr. Geh Sim Hong retires as the Deputy Director General of the Malaysian Industrial Development Authority (MIDA) and Tuan Hj. Wan Hassan Wan Teh retires from the post of Deputy Director General of Immigration. Lastly, the Hon. Dato' Dr. Hj. Osman Din retires from the Public Services Commission after five years of service in that organisation. Of these officers, seven were my university collegues namely, The Hon. Dato' Latiff Sahan (2 years my senior and his wife Datin Zaimiah was my batch mate) and the others, Dato' Dr. Shahari, Dato Nik Mohd Amin, Dato' Zainal Abidin Mokhtar, Raja Dato' Mansor, Mr. Geh Sim Hong dan Tuan Hj. Wan Hassan were from the same 1957 batch. Dato' Bakri was my collegue in Anderson School Hostel way back in 1956. In this light, tonight's function is a proud occassion for me for having the honour of felicitating my collegues who are retiring. Throughout the years, we have

remained good friends. Our wives have mixed quite well with one another. Some people say that the best rule for friendship is to keep your heart a little softer than your head.

4. Among my friends who are retiring is one who is rather special, that is Mr. Geh Sim Hong. He is special because to this day, he remains a bachelor. I have many times asked him why he chose to remain a bachelor. They all say that a good wife and good health are a man's best friend. He went on to say: a woman is only a woman, but a good cigar is a smoke! He then concluded by saying as follows: "Marriage is not a word but a sentence." I apoligise to Mr. Geh Sim Hong. To round up on Geh Sim Hong, let me quote Socrates for you: "By all means marry; if you get a good wife, you will become very happy; if you get a bad one, you will become a philosopher - and that is good for every man". I do not know how many of my friends tonight are philosophers in the Socratic sense.

5. I hope that you will all continue to be active in retirement, with some form of your own work, writing your memoirs or in social or welfare work. However, to the wives I would like to offer this little advice: "Never trust a husband too far, nor a bachelor too near".

6. My highest congratulations to those of you who have been appointed to new positions. Your success is the fruit of the excellent peformance you have shown thus far and I hope that you will further strive to maintain that standard. If you think you work harder than the average worker, you're an average worker. There are two things which deprive me of my peace of mind: work unfinished, and work not yet begun. You are in my team if you subscribe to these principles.

SPEECH DELIVERED AT "PREPARING TO ENTER THE PRIVATE SECTOR" (PEPS) PROGRAMME, ORGANIZED BY INTAN AND INSTITUTE OF MANAGEMENT CONSULTANTS AT INTAN, BUKIT KIARA, KUALA LUMPUR —9 DECEMBER 1991

I am deeply honoured to be given the opportunity to address all of you who have so nobly served the nation with dignity and pride. You have carried yourselves well through the good as well as the tough years and come through unsullied, mature, physically fit and confident I hope to face the future. Retirement is a significant phase in one's life. I have stated once before that "To a wife retirement means twice as much husband on half as much income".

The Traditional Image of The Public and Private Sector

2. The popular and traditional image of the public and private sector has generally been that the public sector is large, sluggish, conservative, risk averse and cautious where premium is put on a safe pair of hands; that it is bureaucratic and rigidly bound by rules and regulations; it enjoys security of tenure; it has high sense of accountability in that civil servants are required to carry out their assigned activities in a responsible and responsive manner and will be held answerable for success or failure; The private sector characteristic is that profit is the bottom line. Companies are very concerned with results, rather than the process, or with moral and ethical values. Managers are risk takers; there is the acute awareness that opportunities not utilised are opportunities lost. Companies are concerned with speedy decision-making process.

The Malaysian Incorporated Policy

3. The Look East Policy and the Malaysia Incorporated Policy launched by the Government which aim at establishing a close working relationship with the private sector have tended to obliterate the sharp edges and the adversarial relationship between these sectors. My own exhortation for civil servants to work closely with the private sector should have prepared you mentally for the desirable values in the private sector. I have on different occasions emphasised on such values as accountability, excellent work culture, time management, professionalism etc. which are also applicable in the private sector. My launching of a series of the Public Administration Development Administrative Circulars embody the spirit of the new culture in the civil service which emphasises on quality services, efficiency, innovations and transparent management. These are relevent to the private sector too. There are programmes and reminders which bridge the gap in perceptions between the private and public sectors, namely:

Firstly, attachment programmes with private sector companies (BMITA) emphasise the absorption of commercial and business values and practices into the public sector;

Secondly, joint participation in forums, dialogues, conferences etc. have promoted better understanding between the civil service and the private sector; and

Thirdly, the quality imperative programme in the public sector which focuses on "the customer is always right", and the greater appreciation of cost-consciousness.

Strategies for Making a Switch to the Private Sector

4. This analysis indicates that retiring Government officers can make the switch to the private sector without experiencing any major shocks. I would

like to offer the following advice to these officers who are contemplating work in the private sector, as follows:

(a) There is the need to show a **greater sense of urgency.** I am not stating that this was not neccessary in the public sector but rather that in the private sector which is exposed to the full brunt of the market place, a decision delayed can mean the difference between existence and survival. Thus, there has to be more effective management of time. As I have so often quoted from Peter Drucker in my previous speeches "The supply of time is totally inelastic..... Time is totaly irreplaceable;"

(b) **Greater attention** should be focussed on **achieving and improving results** with the limited resources available;

(c) You will have to **be prepared to take calculated risks,** the private sector environment is a highly competitive one, one that offers greater opportunities to those who are risk-takers;

(d) **There should be sharper focus on quality** in the context of moving targets. Many of you already come from an environment that currently heavily promotes quality. This quality consciousness will stand you in good stead in the private sector;

(e) In order to take effective advantage of the impact and benefits of information technology, it has to be properly appreciated and managed. Although it is not expected that you become expert in using computers, it is however advisable that you be computer-literate and be able to exploit the tremendous benefits of this technology;

(f) You should continue to follow the high moral ethics of the public sector where your actions and behaviour should be above any

suspicion of impropriety. You should be conscious of the fact that the opportunities and temptations for corruption in the private sector also abound. You should have the moral strength and courage to resist such pressures;

(g) Just as in the public sector, it is useful to adopt a disciplined approach in the way you conduct your activities in the private sector. This is not just obedience to rules and regulations but the training of oneself to control one's habit, actions and desires; and

(h) You should develop a **lifelong learning habit** to enable you to cope with the pace and complexity of changes around you that call for higher levels of skills.

Values

5. In considering my advice, please remember that the values promoted, learnt and upheld in the public sector by you are values worthy to be extended into the private sector. You are the vanguard of such noble values as intellectual honesty, accountability, integrity, teamwork, professionalism, objectivity, moderation and trustworthiness. You can be the epitome of such values.

Preparedness for The Change

6. While I acknowledge that going to the private sector will be a new experience, you should not be overly nervous about it. Your proven experience in managing large departments and handling a large number of people from different levels should stand you in good stead and thereby allow you to be prepared mentally for the change.

7. It was Victor Hugo who once said: forty is the old age of youth; fifty is the youth of old age. You're too young to retire at the age of 55. With your wealth of experience, knowledge and skills and your sound physical health, I'm confident you can contribute more to the nation by working in the private sector.

Conclusion

8. I would like to end my speech by quoting from a chapter titled "Inventing the Future": "Each of us is a repository of experience, skills, knowledge, gossip, new developments, old techniques, war stories, legends, myths, colourful characters. More, we all have visions and aspirations, sometimes only half-formed for what we want most. These fertilise productive workplaces".

9. In conclusion, there are two things which deprive me of my peace of mind: work unfinished, and work not yet begun.

SPEECH DELIVERED AT THE OPENING OF THE HIGH-LEVEL WORKSHOP ON BUDGET MANAGEMENT IN IPOH, PERAK —14 MARCH 1991

Deficiencies in Financial Management

Financial Management is an important aspect of Govenment administration at all levels, that is, the Federal, State and Local Authorities level. Financial management in Local Authorities needs to be improved in view of the fact that year after year, the Auditor-General in his reports has drawn attention to various deficiencies in the financial management of Local Authorities. Three major deficiencies that have been identified are:

(i) Deficiency in Planning and Budget Control

Large differences are found between the estimated revenue and expenditure and the actual achieved, and operating expenditure is too high compared to total expenditures. There is also a big increase in expenditure under a few vote heads, shortfalls in expenditure compared to the approved budget, or expenditure exceeding approved budgets.

(ii) Accounting and Financial Procedure

Compliance to accounting and financial procedures must be given emphasis by every manager to avoid deviation, wastage and extravagance in expenditure. Deficiencies in financial management in State Governments and Local Authorities may be caused by non-compliance to accounting and financial procedures, such as poor maintenance of vote books, balancing of accounts and also failure to or delay in preparing annual reports for auditing as required under Act 171.

2. Along with the above-mentioned deficiencies, the third weakness is the delay in collecting revenue resulting in increases in arrears of revenue to be received from time to time. I request that all issues and deficiencies raised by the Auditor-General be given due attention in the interests of improving the quality of financial management of Local Authorities.

Local Government Act 1976

3. Control on expenditure is important, the Local Government Act 1976 through Section 55(5) vests powers on State Authorities to reduce or reject any items of expenditure in the budget estimates submitted by Local Authorities. At the same time, Section 57 also requires that Local Authorities do not incur any expenditure which is not in the approved budget except with the agreement of the State Authority. Both these provisions give sufficient powers to the State Authorities to ensure that Local Authorities expend public funds judiciously and also that the quality of Town Council services are rendered satisfactorily and are able to provide value for money.

Challenges To The Local Authorities

4. I have been informed that the overall total annual grants to Local Authorities has increased from $9.4 million per year to $54.9 million per year beginning from 1991, that is a six-fold increase. With this increase in grants, it is expected that Local Authorities will equip themselves to face bigger challenges in line with the objective of this increased grant and the expectations of more effective service delivery to the local population.

Micro-Accounting System

5. The Government constantly monitors financial management in all Government agencies. The expectation is that the micro-accounting system

will be implemented by all Government agencies to ensure that each item of expenditure is recorded in detail. Controlling officers of Ministries, Departments, Statutory Bodies and Local Authorities are required to ensure that:

(i) Funds allocated are expended according to programmes and activities approved by Government.

(ii) Expenditure is made according to the systems and procedures established; and

(iii) All financial transactions are recorded in the vote book, and that the guidelines as contained in the Treasury Circular No. 8 of 1987 entitled **"Guidelines For Balancing The Vote Book"** is complied with.

Management of Capital Asset, Inventory and Supplies

6. Just as important is the management of capital assets, inventories and office supplies, which form a big portion of Government assets. In connection with record-keeping and management of capital assets, the Government has given more precise definitions to Government-owned assets through four types of registers to be used for asset management. The four new Registers introduced are:

(i) The Capital Asset Register;

(ii) The Inventory Register;

(iii) The Office Supplies Stock Register; and

(iv) The Capital Assets Movement Register

7. A Circular letter on the use of these new forms for the management of assets, inventories and office supplies will be soon issued. The main aim of using these new forms is to facilitate the tracing of any asset, inventories and office supplies, to assist in identifying the officer or employee responsible for decision-making regarding the purchase of the items as well as those who are in charge of these items.

Ethics and Conflict of Interest

8. Before I end my speech, allow me to touch on a matter which is always linked with financial issues namely ethics and conflict of interest. The Oxford English Dictionary defines ethics as the "science of morals" and "moral" itself is defined as concerned with goodness or badness of character or disposition or the distinction between right and wrong. Consequently, ethics can be considered to be a discipline that examines right and wrong behaviour.

9. The following activities are considered unethical by public services of most countries: acts of bribery, graft, patronage and nepotism; acts involving conflict of interest, including such activities such as financial transactions to gain personal advantage, misuse of inside knowldge; favouring relatives and friends in awarding contracts or arranging loans.

10. I would like to advice Government officers to avoid unethical actions of practices.

SPEECH DELIVERED AT THE SEMINAR ON MANAGEMENT OF CAPITAL ASSETS, INVENTORIES AND OFFICE SUPPLIES AT INTAN, BUKIT KIARA, KUALA LUMPUR —23 APRIL 1991

This seminar is important because it touches on issues related to the management of Government assets. According to available data, $1.05 billion worth of public funds are tied up in Government assets which are kept in 838 Government stores throughout the country. This figure does not take into acount assets, inventories and office supplies kept by the various Government agencies for their day-to-day use. The Controlling Officers are responsible for ensuring that assets of Government agencies are procured, used and managed efficiently and effectively. They are also responsible for ensuring that procedures, financial data and information on the physical aspects of assets are up-to-date, and to ensure that the procurement and storage of Government assets are in accordance with set procedures.

2. It is a fact that management of public assets in many Government agencies is not given due attention even though a large amount of funds is committed to it. In comparison, the management of cash such as revenue and expenditure is closely scrutinized by officers. I would like to stress that equal importance should be given to assets management, at all levels in Government agencies.

Assets Management

3. Assets management constitutes a component of the overall management of Government resources namely man, money and materials. All these three components are important in the day to day operations of the public sector

in implementing Government activities. If these resources are utilised efficiently and effectively they could produce outputs that are useful and beneficial. The Auditor General has frequently addressed weaknesses in the Government's assets management system. Some of these weaknesses are as follows:

(i) Poor maintenance of equipment;

(ii) Under utilisation of equipment;

(iii) Weaknesses in controlling inventories that result in excess purchases or purchasing less than required;

(iv) Inventory level not being monitored from time to time by management;

(v) Storing of assets at unsuitable places;

(vi) Equipment not being used or technologically out of date;

(vii) Records not updated;

(viii) Items still being kept even though they have exceeded their life span;

(ix) No proper supervision on the testing of assets carried out when they are purchased;

(x) Weaknesses in the physical control of assets.

Because of the above, it is necessary to:

(i) Improve the system for controlling assets so that their location could be determined more easily.

(ii) Review policies related to the procurement of assets by Government agencies as well as their suitability and effectiveness in the department's operations;

(iii) Improve the management information system to facilitate planning, control and effective decision making;

5. Recently, a study was carried out on the management of Government stores and assets with the view to improving several aspects; including :

(i) Rules for keeping basic data;

(ii) Determining the location of Government assets and inventory;

(iii) Procedures for preparing data on maintenance;

6. As a result of this study, it was decided that three new registers be introduced, namely for recording capital assets, inventories and office supplies in Government Agencies. The Treasury has issued Treasury Circular No. 2 of 1991 for implementing these improvements in Government stores and assets management. Seminars, such as the one being attended by you, ladies and gentlemen, from 23 to 27 April, are aimed at explaining these changes as well as its implementation so that there are no shortcomings, weaknesses or delays in its implementation later on. Details of the new registers are as follows:

Capital Assets Register

7. The Capital Assets Register will use the kalamazoo card system which will contain particulars of each Government asset. This card will be used to record all types of capital assets such as machinery, plant and so on. The Capital Assets Register Card will also contain particulars on the cost of maintenance of the capital assets so as to help determine whether the maintenance of a particular asset is economical.

Inventory Register

8. The Inventory Register will be used to record non-consumable items that are not capital assets. A separate register is used to maintain inventories so as to avoid keeping too many details on them such as records on maintenance of inventories which are not capital assets, and which cost less than $500/- per item.

Office Supplies Stock Register

9. The Office Supplies Stock Register will use the register book system to record all consumable items and stationery as is being carried out at present.

10. Another new register called the Asset/Inventory Movement Register will be introduced to monitor the movement of assets and inventories borrowed by officers. With the new register, the location of all Government assets can be determined easily which could in turn be used to ensure that Government assets are used for official purposes only.

11. These new regulations on procurement should be implemented immediately by all Government agencies. Government agencies will be given a time period of one year, that is till 1 May, 1992 to convert all records of existing assets to the new system. The Store Monitoring and Enforcement Unit in the Treasury will inspect stores of Government agencies from time to time to ensure that the improvements proposed in Treasury Circular No. 2 of 1991 are implemented in full by all Government agencies.

Decisions on Procurement

12. In addition, steps would also be taken to identify those responsible for making decisions on procurement in Government agencies. Under the

present system, it is impossible to identify from records as to who made the decisions to procure capital assets and office supplies. To make it easier to identify those who make decisions on the procurement/purchase of capital assets and office supplies, the Treasury has prepared a standard Purchases/ Services Form which will indicate clearly the officer responsible for making that particular procurement decision. All Government agencies are required to use the new Purchases/ Services Form when issuing local orders for procurement.

Store Management Information System

13. I would like to propose that Government agencies that have computer facilities use it for stores management. I have been informed that Treasury is now developing a computer package on Stores Management that will enable the use of the computer for handling stores records. This computer package which is now being tested in the Treasury would be made available to other agencies when it is ready.

Responsibility of Supervising Officers

14. Controlling officers should from time to time evaluate and update the division of responsibilities and authority, systems and procedures, office directives, management information system, record keeping system, and assets in their respective organisations. Even though the necessary procedures and mechanisms exist, the success in preventing misuse and wastage, will nevertheless to a great extent depend on the supervising officers, chief storekeepers and the controlling officers. To ensure that the improvements introduced are implemented properly, it is important that the controlling officers receive the proper feedback and take corrective action speedily, wherever necessary. If necessary, disciplinary action should be taken against officers who deviate from the set norms.

SPEECH DELIVERED AT THE MALAYSIA INCORPORATED DINNER AT SHANGRI-LA HOTEL, KUALA LUMPUR —25 NOVEMBER 1990

I wish to take this opportunity to thank the Hon. Dato' Seri Dr. Mahathir bin Mohamad, the Prime Minister and the Hon. Dato' Seri Datin Paduka Dr. Siti Hasmah bte Mohd. Ali for their acceptance of the invitation to be at this Malaysia Incorporated dinner. As you are aware, Ladies and Gentlemen, the Hon. Dato' Seri Dr. Mahathir is the originator and prime mover of the concept of Malaysia Incorporated. In this light, the Hon. Dato Seri's presence at this dinner is an inspiration for us to continue to pursue the ideals of the Malaysia Incorporated Policy.

2. On behalf of the Public Service, I thank the Hon. Tan Sri Dato' Azman Hashim who is the Convenor of the Malaysia Incorporated Games this year and his assistants Mr. Lim Ewe Jim and Mr. S.A. Azman; and on the side of the Public Service, I thank The Hon. Dato' Abu Bakar bin Mohd. Nor, the Captain of the tennis team and Y. Bhg. Dato' Shaharuddin bin Haron, the Secreatry-General of the Ministry of International Trade and Industry.

3. Social occasions such as the Malaysia Incorporated games, namely tennis and golf, and the dinner tonight, have provided senior officers in the civil service and corporate leaders with the opportunity to forge and further strengthen meaningful links.

Essentials of Malaysia Incorporated

4. Please allow me to reiterate some of the essentials of Malaysia Incorporated as stated by our Honourable Prime Minister at various times in the past:

(i) That civil servants need to perceive the role of their Ministries or departments as that of a service agency, and to provide quality services to clients, including the business community;

(ii) Envisaging Malaysia as a company where both the private sector and the public sector hold equity, perceiving the private sector's share in this company as the returns to Government by way of the taxes which they pay, which in turn can be ploughed back to upgrade public administration.

(iii) The need to streamline processes and procedures and to revoke unnecessary rules and regulations which hinder the progress of business and industry.

5. Based on these guidelines, the civil service has forged ahead to implement the Malaysia Incorporated Policy. Public sector-private sector consultative panels and joint councils (77 in all) had been formed at the Ministry, Department and state levels. These committees have high level representation from both the public and private sectors. I have directed MAMPU to monitor the functioning of these panels or committees, so that these panels or committees are not likened to what some people say the unable appointed by the unwilling to do the unnecessary.

Panel for Improvement of the Public Service

6. Recently, the Panel on Administrative Improvements to the Civil Service has undertaken a major review of all licences and permits. The primary recommendations include the abolition of some licences which are

found to be unnecessary, the introduction of composite licences and application forms used by local authorities and the Royal Customs and Excise Department; and the extension of the validity period of some licences from one year to three years. The Honourable Prime Minister has directed the civil service to implement these changes within six months. All these recommendations were made as a result of intensive consultations between the civil service and the chambers of commerce, business councils and industry associations, in the spirit of Malaysia Incorporated.

7. Before I end my speech, I must apologise for breaking a small but time honoured tradition. I am not presenting any golf or tennis jokes tonight. One anonymous poet once wrote as follows:

> "Charm and wit and levity may help one at the start but in the end its brevity that wins the public's heart."

SPEECH DELIVERED AT THE MALAYSIA INCORPORATED DINNER AT HILTON HOTEL, KUALA LUMPUR—7 FEBRUARY 1991

Malaysia Incorporated—The Policy

The theme of my address tonight is **"Malaysia Incorporated—towards a symbiotic relationship"**—a concept launched in 1983 by the Government, and since then, has sparked off a tremendous amount of interest and enthusiasm particularly in the private sector. The civil service since then has been bracing itself to play its role within the context of cooperation between the public and the private sectors. These are very encouraging signs, indicating that both sectors are ready for new ideas and new approaches. But, as with all new approaches, there has been a little bit of misapprehension and also a little bit of misunderstanding. Let me touch briefly on what is meant by Malaysia Incorporated. It simply means that the country can be run like a Corporation, with certain divisions responsible for production, sales and marketing, and research and yet others responsible for providing the supporting and ancillary services. Within the ambit of the definition, the private sector forms the commercial and economic arm of the national corporation or enterprise, while the Government lays down the major policy framework and direction, with the civil service providing the necessary back-up services. The civil service becomes the service arm of the enterprise. Thus, the Malaysia Incorporated Policy requires that the economic and service arms of the nation work in full cooperation, so that the nation as a whole can gain, in the way that a well-run corporation prospers.

2. The Malaysia Incorporated Policy, therefore, requires that the private and public sectors see themselves as sharing the same fate and destiny as partners, shareholders and workers within the same 'corporation', which in

this case is the nation. The 'corporation' will only prosper if its commercial and economic arm, namely the private sector, does its best to promote production, marketing, sales etc, and obtains returns on investment. Under this policy, there is no question of one sector having to do more for the nation than the other sector. The basic ingredients for the success of Malaysia Incorporated is **mutual understanding, cooperation, trust and confidence** in each other.

Mutual Understanding and Cooperation

3. The private sector must understand the policies, objectives and procedures of the Ministry or Department with which it comes into contact. Companies must appreciate that rules, regulations and procedures are not made to frustrate them, but are, in fact, a means of ensuring orderliness in commerce and industry. It is admitted, of course, that some of these rules, regulations and procedures may be unduly obstructive. But they can be modified and made more flexible if you make proper use of channels of communication between the companies and the relevant Ministry or Department.

4. The civil service is aware that it has a duty to ensure that no undue hindrance is put in the way of the private sector. The private sector provides the revenue necessary for the operating expenditure of the Government, including the maintenance of the civil service.

5. The more profits you make, the more revenue is collected, and it would bring direct benefits to the civil service.

Consultation and Dialogue

6. With Malaysia Incorporated, therefore, the view that Ministries and Departments administer Government policy in complete isolation from

the outside world no longer holds true. Consultation and dialogue between civil servants and the corporate sector is now a feature of the day-to-day life of Government departments dealing with commerce and industry. From a study by MAMPU on the operationalisation of the Malaysia Incorporated Policy, the following points emerge:

(i) There is a need to increase the flow of information in both directions: for example, the private sector has lamented on the fact that there is a dearth of guidebooks or manuals which explain the procedures, rules or regulations, particularly on the issue of permits and licences; on the other hand, the civil service has also found it wanting when it requests for some basic information such as production output, costs of production, utilization of raw materials, employment data, as well as data on pay and salaries and allowances, from the private sector companies;

(ii) There is a general reticence from the private sector to submit specific views and suggestions on the streamlining of rules, regulations and procedures, even when these views and suggestions are solicited; and

(iii) There is a need to inculcate a better understanding among civil servants on the work culture of the private sector.

Administrative Review and Reforms

7. The public service has carried out various programmes at administrative review and reforms in keeping with the increasing demand for quality service from the public sector. Administrative reforms in the public sector are concerned with developing new ideas and implementing new programmes. There has been noticeable improvement in several areas

including the simplification of forms, reducing the number of forms where they duplicate, reducing the processing time, and implementing one stop payment/service centres.

8. Programmes and measures under the umbrella of Malaysia Incorporated have opened the doors, and have gradually broken down the isolation of the civil service. Many consultative panels have been formed in Ministries and Departments. There are dialogue sessions between certain Ministries/ Departments with their client groups from the private sector. A programme of secondment of mid-level civil servants to certain companies under the British-Malaysia Industry and Trade Association BMITA has enabled a group of civil servants (90 in all) to gain business experience. The stint by the civil servants in the private sector has also helped to break down what some see as a cultural barrier between the private and the public sectors. It can also be argued that there is a danger that in order to obtain a particular private sector post, a civil servant could bestow favour on his prospective employer, and, after his move, use his knowledge of the department's affairs to secure unfair advantages for his new employer.

9. As head of the civil service, I have to ensure that civil servants should be seen to be above any suspicion of impropriety. A code of conduct may be required to prevent any erosion, however slight, of public confidence in the traditional impartiality of the civil service, especially in a world where the public and private sectors increasingly interact.

10. Arising from the success of the BMITA programme, the Government has decided to expand this cooperation to include companies originating from the United States, the European countries and Japan. This new training programme is to be undertaken jointly by the Public Service Department and the companies concerned. This cooperative endeavour will lead towards the

establishment of a **'network'** of relationships that would strengthen communication between the two sectors. I hope you would contact the Public Service Department in the design and the implementation of the new management training programme for the senior Government officials.

OPENING ADDRESS AT THE SECOND MEETING OF THE MALAYSIA INCORPORATED PANEL AT CARCOSA SERI NEGARA, KUALA LUMPUR —29 APRIL 1991

I had the privilege earlier this morning to launch a new series of circulars for the Public Service known as the Development Administration Circulars. As the title conjures, the circulars seek to improve the public administration. Five new circulars for administrative improvements were introduced today viz:

Circular No. 1 — Improvement of the Quality of Service Through the Telephone;

Circular No. 2 — Guide for The Management of Meetings and Government Committees;

Circular No. 3 — Civil Service Innovation Award;

Circular No. 4 — Guidelines on Strategies for Quality Improvement in the Civil Service; and a Treasury Circular No.2 of 1991 on the Use of New Forms for the Management of Asset, Inventory and Office Supply.

New Culture

2. These circulars embody the spirit of a **new culture** in the civil service which emphasizes on quality services, efficiency, innovativeness and transparent management. They are part of the agenda for the development of public administration in Malaysia this year. They set the pace and the

direction for change and improvement of the civil service consistent with the need to meet the challenges ahead in perspective of a fully developed Malaysia in the year 2020.

Malaysia Incorporated

3. The vision of a fully developed Malaysia by the year 2020 has been lucidly articulated by the Honourable Prime Minister in his momentous working paper presented at the inaugural meeting of the Malaysian Business Council in February. The way forward towards realising that vision is through the strategic placement of various public policies, amongst which is the reiteration of Malaysia Incorporated. The Honourable Prime Minister spoke of "the necessity of making Malaysia Incorporated a flourishing reality" and on the collaboration between the public and private sectors, he stressed that ".... there can be no doubt that a productive partnership will take us a long way towards our aspirations."

4. This Meeting of the Subcommittee of the Panel on Administrative Improvements To The Civil Administration is indeed important in the context of forging that productive partnership. The institutionalisation of this Subcommittee is to find ways and means to improve the delivery of public sector services to the private sector, in order that the private sector as the primary engine of growth, would be helped to flourish, consistent with the Malaysia Incorporated Policy.

5. Since the last meeting of the Panel Subcommittee in March last year, the public sector has addressed itself to the four major issues raised by the Subcommittee viz:

> **Firstly**, the improvement of public—private sector Consultative Panels in Ministries and departments under Malaysia Incorporated;

Secondly, the improvement in the delivery of information and data from the public sector to the private sector;

Thirdly, the improvement of telephone communication with the private sector; and

Fourthly, and more importantly, the improvement of administrative rules, regulations and procedures for the efficient delivery of services to the private sector.

Improvements of The Public Service

6. The Public Service has earnestly sought over the year to improve the delivery of services to the private sector. Various improvements have been achieved. Some of these were:

(i) The abrogation of outdated licences;

(ii) The introduction of composite application forms for licences;

(iii) The introduction of composite licences;

(iv) The extension of the validity period of several licences from one to three years;

(v) The establishment of more one-stop centres for licensing of businesses;

(vi) The reduction of procedures for processing of licences;

(vii) The delegation of powers to enable expeditious processing of applications;

(viii) The computerisation of work processes, records and documentation;

(ix) The setting up of service counters to assist the private sector on queries and problems; and

(x) The installation of modern telecommunication systems at most agencies to upgrade communication with Government agencies.

Improvement Programmes

7. The efforts to improve the administrative machinery of the Government have been carried out through thirteen programmes as elaborated in the Report on Improvements And Dvelopment In The Public Service—1990. The Report documented significant improvement measures and creative initiatives of various Ministries and departments. Some 140 improvements have been carried out in the last three years at the Ministerial level and 210 improvements were implemented at various Federal Departments. The Report bears testimony to the commitment of the Public Service to continually improve itself to meet the challenges of the future.

8. Our continued collaboration at this Panel Subcommitttee Meeting must persist to foster the productive public-private sector relationship as envisaged by the Honourable Prime Minister. The success of Malaysia's national development lies to a significant extent in the evolution of a deep-rooted public-private sector linkage. Presently the public-private sector nexus is still in its incipient phase. It needs to be developed in a coherent manner to allow for both the public and private sectors to work in concert to achieve the goals of national development. I therefore propose that the second meeting of this Subcommittee focuses its discussion on the following ten new strategic directions:

(i) Attitudes and Perception;

(ii) Institutions and Structures for Consensus Building;

(iii) Public and Private Sector Roles;

(iv) Malaysia Inc. Campaign;

(v) Developing Channels for Articulating Interests;

(vi) Communication Culture;

(vii) Developing the Nation's Competitive Advantage Through New Collaborative Efforts;

(viii) Coordinating Mechanism;

(ix) Leadership Initiatives; and

(x) Administrative Initiatives.

PAPER PRESENTED AT THE MALAYSIA REGIONAL PROGRAMME AND MINISTERIAL DIALOGUE —30 SEPTEMBER 1991

THE MALAYSIA INCORPORATED POLICY

The fundamental basis of the Malaysia Incorporated Policy is that successful national development requires the public and private sectors to adhere to the perception that the nation is a corporate or business entity, jointly owned by both sectors and working in pursuit of shared national goals. The resulting benefits of this cooperation, in the language of business, means a higher level of profits leading to spin-offs in economic investment, expansion and growth. The Government's interest in the success of the Malaysian Corporation lies in the generation of employmaent opportunities, economic development and increasing revenue channelled to fuel the socio-economic development of the nation.

2. The introduction of the Malaysia Incorporated Policy has effaced the perception of dichotomy between the roles of the public and private sectors. In the past, this dichotomy had tended to generate conflict between the two sectors. The public sector, entrusted with specific powers to safeguard public interest, has long emphasised its regulatory role over the conduct and activities of the private sector. Under the Malaysia Incorporated Policy, the public sector is required to redefine its role in relation to business and private sector activities and to embark on new approaches in facilitating the private sector's role in spearheading economic development.

THE PUBLIC SECTOR VIEW

3. The public sector's response to the Malaysia Incorporated Policy has been essentially pragmatic. Since the inception of the policy, the public

sector has taken the lead role to **establish the structural mechanisms** necessary for the development of a platform for collaboration and consultation. This has been accomplished through the establishment of **Consultative Panels** at Ministries, Federal Departments, state and district level Government agencies. In its capacity as **facilitator**, the public sector has developed new institutions to promote interaction with the private sector. In its **supportive** capacity, it has established new avenues for communication with this sector.

Institutional Developments to Facilitate Public—Private Sector Interaction

4. In its capacity as facilitator, the public sector's primary responsibility is to create an environment that stimulates economic activity, promotes confidence in the Malaysian economy and ensures stability. New mechanisms have been set up in response to this role, namely:

(i) Consultative Panels; and

(ii) A Malaysia Incorporated Committee For Administrative Improvements.

Consultative Panels for Collaboration

5. Consultative Panels represent the initial institutional structures in promoting the Malaysia Incorporated Policy. These Panels are the official forums to enable systematic discussions and exchange of views between the public and private sectors, for the identification and resolution of problems and issues relating to function and service delivery of the individual departments. These Panels also **provide feedback** on the implementation of Government policies as well as propose measures to rectify administrative weaknesses. In its efforts to promote the Malaysia Incorporated Policy, the public sector has taken steps to infuse new life

into these institutional structures. All Government agencies at Federal, state and district levels have been urged to establish such Panels if they do not exist; hold at least two meetings a year; hold an Annual Dialogue Session and to identify a Secretariat to facilitate communication between both sectors. These directives are incorporated under the **Development Administration Circular No. 9 of 1991** entitled **Guide On The Implementation Of The Malaysia Incorporated Policy**. This Circular also stipulates that Consultative Panels should broaden their scope of discussions to include strategic considerations for economic development, information generation and information sharing as well as other avenues for collaboration between both sectors.

6. Public sector officials are now officially allowed to participate in seminars, workshops and forums organised by chambers of commerce, business councils and industry associations. Social interaction between the public and private sectors is also encouraged through games and sporting events. In addition, Ministries/Departments/Offices may receive recognition from the private sector for their performance; such recognition to be in the form of awards, trophies or souvenirs conferred by business associations to individual Government agencies.

7. The public sector holds the view that Consultative Panels are the primary mechanism to promote Malaysia Incorporated. The main thrust of this mechanism is to establish the institutional basis for discussion. It is envisaged that through the interaction of these various Panels at federal, state and district levels, a network for consultation, discussion and collaboration will evolve to allow for representation and participation from all sectors and sub-sectors of the economy. The development of this network of discussion Panels is essential to the operationalisation of the Malaysia Incorporated Policy.

The Malaysia Incorporated Committee on Administrative Improvements

8. The establishment of this Committee indicates the commitment of the public sector to promote the Malaysia Incorporated Policy. Chaired by the Chief Secretary to the Government and comprising captains of industry, this Committee is the official forum at the highest level, to consider new approaches to administrative improvements, to rectify administrative inefficiencies and the identification of various administrative bottlenecks and cumbersome procedures which require attention. This Committee is also responsible for providing feedback and inputs to improve the administration. In recognition of the critical importance of an efficient public administration, this Committee has introduced an Efficiency Award to be conferred on Government agencies by the private sector in recognition of their performance and efficient service delivery.

Collaborative Efforts

9. In addition to the establishment of the basic institutional framework for collaboration, the public sector has entered into **jointly-sponsored programmes** with the private sector for **training, information technology development as well as informal social activities.**

Training

10. A programme for emplacement of public officials in the private companies was jointly launched by the Public Service Department and the British-Malaysian Industry and Trade Association (BMITA). This programme has been in operation for **six years**. A total of ninety officials successfully underwent BMITA training. These officials were emplaced in British owned private companies engaged in **plantation, commerce,**

finance, insurance and **other specific sectors of manufacturing.** The BMITA training programme has two important objectives, namely, to allow for the direct exposure of the Government officials to the systems and work targets/objectives of private businesses, and to foster closer relationship between Government officials and private sector executives in order to establish closer understanding and cooperation. A similar training programme is being planned with German based companies in Malaysia.

Information Technology

11. A strategy that was stressed by the Government in 1990 to promote **the growth and development of national information technology is fostering collaboration between information technology users either in the public or private sector, universities, research institutions and professional bodies and industry**. At national level, a National Consultative Committee on Information Technology (NCCIT) was established in 1988 with representatives from the Government, academia, professional bodies **and industry** to strengthen the collaboration between the public and private sectors in developing the national information technology industry. Conferences, exhibitions, seminars, and software development are among the cooperative areas that have been explored.

Informal Interaction

12. As an effort to foster and encourage friendship between the captains of industries and the top echelon of the Civil Service, the public sector sponsors the **Malaysia Incorporated Games** since 1988 under the patronage of the Chief Secretary to the Government. Such social activities have enabled the leaders of both sectors to get acquainted with each other and develop relationships which would facilitate their working together in their official capacities.

ADMINISTRATIVE IMPROVEMENTS

13. Institutional developments alone are inadequate to ensure the implementation of the Malaysia Incorporated Policy. **Improvements to administrative rules and regulations as well as systems and procedures are integral to institutional development**. In recognition of the interrelation between structures, systems and procedures as well as the personnel who are responsible for their functioning, the public sector has continued to step up its efforts to improve these dimensions of public administration. The public sector also holds the view that efficient, timely and expeditious service delivery is a necessary prerequisite not only to support but also to promote private sector activities.

14. Consequently, **self-diagnosis of service performance** has been given emphasis and will continue as a primary exercise of administrative planning over the decade of the Second Outline Perspective Plan (OPP-2). The major thrust of administrative planning for improvement is in the following areas:

(a) Deregulation;

(b) Upgrading of Counter Services;

(c) Quality Management And Improvements

Deregulation

15. The public sector has undertaken a major review of some administrative rules, regulations and procedures to facilitate the private sector's role in economic development. A study on the "System of Licensing and Permits Pertaining To Business And Investment" was undertaken by MAMPU in 1990 with the view to streamlining, simplifying and abolishing procedures and regulations which are cumbersome, obsolete and which hinder the operations of the private sector.

16. The Study recommended six strategies to facilitate deregulation in the public sector and these are as follows:

(i) Use of Composite Application Forms;

(ii) Issue of Composite Licences;

(iii) Extending the Validity Period of Licences from one to three years;

(iv) Establishment of Licensing Centres in the Local Authorities;

(v) Abolishing certain Licences or Licence Fees; and

(vi) Improving the System and Procedures For Licensing.

17. A major milestone towards deregulation was the amendment of section 107 of the Local Government Act, 1976 which allows for the joint issue of any licence or permit granted under the Act; the revocation of any particular licences or permits will not affect the validity of other licence or permit issued jointly; and an increase in the validity period of a licence from a period of one year to a period not exceeding three years. Other legislation which have been **amended** include:

(i) The Malaysia Rubber Exchange and Licensing Board Act, 1972 in which Rubber Licence B1 and D issued to rubber small-holders and rubber dealers respectively, have been abolished;

(ii) Customs Order (Prohibition on Exports), 1988 which abolished the export licence for Textiles and Garments to Australia and Japan;

(iii) Controls of Supplies Act, 1961, was amended to extend the validity period of the licence from one year to a maximum of five years;

(iv) Weights and Measures Act, 1972 now extends the validity period of licenses issued under this Act from one to two years; and

(v) Customs Standing Order No. 45 which has been amended to simplify procedures relating to freight forwarding agents.

Other measures at deregulation are underway.

Upgrading of Counter Services

18. Counter services continue to be given emphasis in administrative improvement programmes since they represent the front-line of Government services. The quality of services provided by public counters is always subject to scrutiny and the Government is often evaluated by the performance of its public counters. The essentials of good counter service is the provision of a quick, straight-forward and timely service to customers with the minimum of inconvenience. To achieve this level of service, public counters need to develop expeditious processes, simple and uncomplicated application forms, to provide adequate information and a comfortable environment. The guidelines for improving counter services are detailed in **Development Administration Circular No. 10 of 1991** entitled **Guide On Raising The Quality Of Counter Services**.

19. With a view to expedite counter services, the public sector has set up one-stop centres for the payment of bills as well as for issuance of certain licences and permits. Plans are underway to convert the 240 post-offices with computerised operations into a public sector network of one-stop service centres. These centres will provide the public with a variety of services such as renewal of miscellaneous licences, registration of voters, payment of bills etc.

Improving Communications

20. A major thrust of the public sector's programme on communications is the provision of information through **computerised data bases**. The objective of establishing such data bases is to improve the availability and access to Government information to a variety of users such as research scientists undertaking R&D projects. TELITA, a service introduced by STM provides a fast, cost-effective and two-way communications service using telephone lines and television to connect users to a wide range of information. With this service, users are connected to various databases like financial, educational and medical databases. Government agencies, in fact, form one of the major information providers of TELITA. The Fisheries Development Authority with its fish database INFO-FISH, which allows traders and other parties in the industry to assess the database for information on price, markets, recipes etc. and the National News Agency (BERNAMA) which provides information on news, financial markets and public listed companies.

21. A further thrust at communication improvement is the establishment of an **Electronic Data Interchange (EDI)** scheduled for implementation in 1991-1992. The proposed EDI Systems in its initial phase will involve the Royal Customs and Excise Department and cargo and forwarding agents in the private sector. At a later stage, other agencies, exporters, transport operators, banks and insurance agents will also be included in the system. The EDI is expected to provide the local business community with the competitive edge in trading through reduced operational costs, reduction of cargo clearing time and better coordination of the transportation system.

Quality Management And Improvement Programme

22. The introduction of the Quality Management and Improvement Programme in 1990 signifies the determination of the public sector to

improve its service delivery by providing all agencies with a clear and coherent framework to undertake quality improvement measures. The rationale behind the introduction of the Quality Programme is to develop a national competitive spirit with emphasis on quality and productivity. By building on its strengths and eliminating weaknesses, the Public Service will continue to provide the winning edge in the nation's development. The Quality Management And Improvement Programme provides the foundation and systematic basis for improvements through 4 key areas of strategic concerns, namely:

(a) Strategic Planning;

(b) Determining the Quality Of Service/Output;

(c) Quality Process; and

(d) Quality of Manpower.

Strategic Planning

23. Strategic Planning is the first aspect of quality improvement which must be undertaken by top management of the organization. This process is fundamental to every organization as it involves reviewing and evaluating the agency's performance *vis a vis* its role and objectives. This diagnosis is vital, ensuring that the organization conforms to the requirement of its customers and stakeholders and is relevant to the changing environment in which it operates.

Quality Of Services/Output

24. The emphasis on quality of services is of particular relevance to the public sector which is essentially a producer of a variety of services. Quality

service means doing things right the first time and every time. It requires inculcating the values of reliable and timely provision of services, accuracy in the provision of the service and functionality of service, in the sense that the service provided fulfils the purpose for which it has been produced and is also easy to utilise.

Quality Process

25. The emphasis on quality process requires that the producer of a particular service looks into the process involved before a service can be produced. The process has been systematised into three stages namely, **input, transformation and output**. At each of these stages the producer of the service must fix a set of standards so as to ensure that the ultimate or final output meets the quality standard.

Quality of Manpower

26. The entire quality management programme hinges on the agency's manpower who must be equipped with knowledge, expertise and imbued with the values of a culture of excellence. In the final analysis, systems may be well constructed and efficient and planning is on target, but if the personnel responsible for executing tasks are unmotivated, uncommitted and indifferent the entire effort at providing high quality output is nullified. Consequently, the Quality Management And Improvement Programme emplaces priority in creating a quality work culture. In order to ensure that the quality movement permeates the entire civil service, **Development Administration Circular No. 4 of 1991** entitled **Guide On The Strategies For Raising Quality in The Civil Service** was launched with the view to implementing quality programmes throughout the public sector.

ISSUES IN RELATION TO IMPLEMENTATION OF THE MALAYSIA INCORPORATED POLICY

27. The public sector holds the view that 3 major strategies need to be pursued to ensure the implementation of this policy. These strategic directions are:

(a) Extending the scope of interaction through the Consultative Panels;

(b) Building an **effective network** of consultation and consensus-building; and

(c) Reorientation of attitudes and values.

Consultative Panels: New Areas For Interaction

28. Consultative Panels are the main vehicle for promoting the collaboration and consultation between the public and private sectors in the spirit of the Malaysia Incorporated Policy. These Panels need to focus on the following **areas of collaboration**:

(i) acquisition and dissemination of information on global markets, international competitors and product and service competitiveness;

(ii) joint efforts to penetrate new markets, formulate marketing strategies and infrastructure for establishing the Malaysian presence in foreign markets;

(iii) training and development of a competent, skilled, productive and quality work-force through **sharing of costs, training facilities and training programmes**;

(iv) making in-roads into R&D efforts on a **product-specific basis** by harnessing expertise, equipment and resources in both sectors;

(v) cooperation towards establishing a computerised network for information exchange through the introduction of linkages between data bases for information-sharing, information generation and value added networks; and

(vi) **collaborative efforts** to upgrade productivity, quality and competitiveness in the output of the nation's products and services.

Network For Consensus Building

29. The public and private sectors must stimulate the establishment of a network of institutions for consensus building. **The current coverage of Consultative Panels must be expanded to include those sectors of the economy which are unrepresented or under-represented in dialogues and consultative sessions.** This requires expansion in two directions namely:

(i) vertical expansion to incorporate private sector organisations and Government agencies at state, district and local levels; and

(ii) laterally, to encompass sub-sectors of the economy primarily **the small and medium scale industrial sector.**

30. The development of such a network will contribute towards increasing participation across and between the various sectors and sub-sectors of the economy.

Reorientation of Attitudes

31. A fundamental requisite of public-private sector cooperation is the attitude towards the concept of a "*corporate nation*". Unless this concept is understood and valued for its inherent benefits, the implementation of the

policy will meet set-backs.since it will not elicit the appropriate responses from both sectors. **The public sector has taken measures to revitalize the conscious need for and the importance of the policy through encouraging Consultative Panels to revive their activities, exhorting public servants to deliver high quality services and increasing their informal interaction with the private sector. The private sector should also respond in similar vein by taking initiatives to enter into closer consultation with the public sector.**

CONCLUSIONS

32. The need for more extensive collaboration is well established, the mechanisms for consensus building are in place, and the directions for future cooperation clearly identified. The onus now is on the leadership of top management in both sectors to make a commitment.

SPEECH DELIVERED AT THE OPENING OF THE NCCIM'S NEW OFFICE IN KUALA LUMPUR—28 MAY 1992

Firstly, I wish to thank the National Chamber of Commerce and Industry Malaysia for inviting me to officiate the opening of its new office. I am most pleased that this invitation, once again allows us the opportunity to exchange ideas and improve cooperation between the public and private sectors, consistent with the Malaysia Incorporated Policy. On this occasion I take the opportunity to put forth my views on the implementation of the Malaysia Incorporated Policy.

2. It is indeed a privilege for me to officially open the new office of the National Chamber of Commerce and Industry of Malaysia (NCCIM). This building is alloted by the Government in recognition of the important role played by NCCIM in enhancing industrial growth and in promoting the Malaysia Incorporated Policy. The Government also felt that the request by NCCIM for a building was justified as the Association plays host to a large number of delegations from developed as well as developing countries, often led by Ministers as well as influential corporate leaders. This building, though modest in size, is a symbol of the cordial relationship that exists between the Government and the private sector. I would like to see this good relationship be further strengthened in the future.

3. Close relationship with the NCCIM is of special importance to the Government for it provides a ready channel for public-private sector discussions and consultations. More specifically, the role of NCCIM is important in two aspects. Firstly, as an apex organization, NCCIM provides a forum for securing consensus on major policy issues affecting the various

sectors of the business community. Secondly, NCCIM plays an effective coordinating role among the business community in responding to the current challenges, whether they are internally or externally generated. In this respect, the feedback that NCCIM provides to the Government substantially sharpens the policy stance of the Government.

4. I would like to humbly suggest that NCCIM widen its membership base. Associations which are now relatively successful should be encouraged to be members of this chamber.

5. The NCCIM must increasingly play its active contributory role as the premier institution representing the broad spectrum of the nation's own businesses and industries including those from the small and medium scale sector. It must be well equipped and competent to provide the leadership in the structural and institutional adjustments within the Malaysia-owned private sector to ensure its capability and capacity to perform in the economic configuration of the nation. NCCIM must draw its own strategic directions to ensure the competitiveness of Malaysian owned business and industries.

6. It must play its role as a major dialogue partner of the public sector in the planning processes for further economic growth of the nation and the creation and sustenance of a dynamic business environment. It must provide the critical feedback to the Government on policy issues through the mobilisation of opinions and postulations to enhance the interest of its constituents. It must be efficient in its traditional roles in the provision of services to its members through assistance and consultancy, networking, information dissemination, establishing international business contacts and linkages, strategic partnerships and joint ventures, active participation in trade and investment promotions and others. Last but not least, it must

represent the image of confidence, credibility and professionalism of the Malaysian business community poised to meet the challenges of global competition and complex economic environment.

7. The enunciation of Vision 2020 in early 1991 stressed the critical importance of the Malaysia Incorporated Policy towards achieving the goals of an industrialised Malaysia. The Development Administration Circular No. 9 of 1991 entitled 'Guidelines On The Implementation Of The Malaysia Incorporated Policy' reiterates the public sector's commitment to the implementation of the Malaysia Incorporated concept as a policy directive. The Circular provides clear guidelines in effecting public-private sector cooperation and consultation through the following directives:

(a) The establishment of Consultative Panels in each Ministry/ Department/Office at the Federal, State and district levels;

(b) The designation of Secretaries General/Directors-General/State Secretaries/District Officers as chairman of the Consultative Panels, with membership comprising representatives from both the public and private sectors;

(c) The terms of reference of the Consultative Panels to include streamlining of rules, regulations and procedures related to the activities of the public sector; preparation of guidebooks to facilitate understanding of rules, regulations and procedures; determining the criteria for making transparent decisions and reducing discretionary powers; and the timely delivery of Government services to the private sector;

(d) Scheduled meetings to be held twice yearly;

(e) Identification of the secretariat for the Consultative Panel in each agency and designation of an official to liaise with members from the private sector; and

(f) To ensure follow-up and follow-through actions on matters discussed and decided upon at Consulatative Panel meetings.

8. To further promote the concept of Malaysia Incorporated, the civil service is now bracing itself to the following measures:

(i) to intensify training to the middle and lower levels of the civil service so that they understand the concept of Malaysia Incorporated and believe in it, hence bringing about a change in attitude; and

(ii) to bridge the communication gap, the public-private exchange program will be intensified; the forms of this exchange are being considered.

9. Several measures have been adopted to effect administrative improvements, in particular programs which will facilitate the growth of the private sector and the attainment of national goals. Firstly, the introduction of the Development Administration Circulars. So far, I have issued eleven circulars which are aimed at providing guidelines and direction on administrative improvements to all Government Agencies. These circulars cover various aspects, such as, The Manual of Work Procedure and desk file, quality of counter services, productivity improvement and establishment of quality control circles (QCC). Secondly, the documentation and dissemination of information, through publication of guide books, information booklets and pamphlets, articles and video clips for dissemination within the public sector as well as the private sector and the public at large. Thirdly, greater emphasis on training and skill up-grading of public employees to assist them in the effective implementation of administrative improvement programmes. Fourthly, directing Heads of

Ministries, Departments and State Secretaries to make constant visits to their branch offices to undertake follow-up and follow-through actions. Finally, giving recognition and awards, such as Quality and Efficiency Awards, to public sector agencies or individuals by the Government or the private sector.

10. Before the end of the year, there will be issued three more Development Administration Circulars providing detailed guidelines to further improve the performance of the civil service, namely:

(i) on Total Quality Management to be implemented in all Ministries, Departments and statutory bodies;

(ii) detailed project planning and evaluation methods, which will help to minimise shortfall in development expenditure; and

(iii) micro-accounting which will enhance the concept of financial accountability in Ministries, Departments and statutory bodies.

Civil servants at the appropriate levels will be required to undergo intensive training to understand the concepts and the modus operandi of these circulars.

11. I hope that Chambers of Commerce,Business Councils and Industry Associations will be ready to submit their proposals to the Panel On Administrative Improvements To The Civil Service to further improve the level of cooperation between the public and private sectors in the context of Malaysia Incorporated. I hope that when invited to attend meetings of the Panel and other committees, private sector representatives will be from its highest level leaders and professionals who can meaningfully and beneficially hold discussions with the Secretaries General and Directors General who will be with me.

SPEECH DELIVERED AT THE OPENING OF THE SEMINAR ON "PROFILE OF AMBASSADOR 2000" AT INTAN, JALAN ELMU, KUALA LUMPUR —11 AUGUST, 1991

The rapid changes in the economy provides Malaysia with new challenges and opportunities. The Malaysian Heads of Missions are strategically placed to meet these challenges and opportunities and to continue to place Malaysia in the forefront in International Relations. The Ambassador in the year 2000 needs to equip himself with new knowledge, negotiating skills and effective communication in order to achieve the "ambassadorial ideal."

2. It gives me great pleasure indeed to have this first opportunity to meet collectively all Malaysian Heads of Missions. I would like to congratulate the Institute for organizing this workshop which will help chart the profile of Ambassador 2000.

The Practice of Diplomacy

3. Malaysia has earned international recognition. We are playing an increasingly important role in the international sector. For example, our Prime Minister presided with distinction over the International Conference on Drug Abuse and Illicit Trafficking, the Conference of Commonwealth Heads of Government and the Meeting of Heads of Government of the Group of 15. Malaysia has also held the Chairmanship of the International Conference on Indochinese Refugees, the Chairmanship of the UNESCO General Conference and the Chairmanship of G-77. We have recently served on the United Nations Security Council at a time when the Security Council had to fulfil a very critical and important role. All these successes were not created in one day. They were made possible because of the

splendid work that you and your predecessors have rendered over the years. There is more still to be done. There are new challenges and new issues to be tackled. The practice of diplomacy has become more complex—encompassing a widening range of issues such as illicit drugs, the environment, economic interdependence, protectionism, debt, refugees and human rights. While the tide of events has generated new challenges, it has by the same token thrown up new opportunities for the country.

Trade Opportunities and Foreign Investment

4. During the last decade, the political landscape of many nations have undergone rapid changes. In the 1990's it is clear that the world will be entering "the rare times when the tectonic plates of history shift beneath men's feet and nothing after is quite the same". One of the most dramatic of these shifts involves the spread of democracy in Eastern Europe. This may mean the diversion of resources and opportunities which would formerly have been destined for the South. Reforms in the Soviet Union and China's modernization will create bigger and stronger rivals for us in terms of trade opportunities and foreign investment.

5. We are now living in a world where ideas are spread with great speed. Improved technology and advanced communication systems have made no part of this world too distant nor too remote. This makes the importance of relating events to one another more urgent. We have to act speedily to present our position, to overcome barriers, to ensure that our interests are well served. Those of you who serve in Western Europe will know that the creations of a unified market in 1992 under the single Europe Act would further stimulate growth within the region and lead to an expansion in demand for the exports of developing countries, like Malaysia, particularly primary commodity exports. So we need to adopt a proactive stance and develop new forms of trading and production arrangements through joint

ventures and integrated production processes to export our market share in Western Europe. Our 2020 vision is towards an industrialized society. So among our principal concerns are access to investment and technology and to markets—better and deeper access in our traditional markets and the development of new markets (namely Chile, Brazil and Argentine).

6. The Government is also encouraging Malaysian investors to go out into new areas of potential investments especially in fields where we have the technical expertise as, for example, in palm oil processing and rubber products manufacturing. Overseas investments in these products would enhance the export of our basic commodities, and in the long term bring additional income and reduce the deficit in our balance of payment accounts.

7. Opportunities for investing overseas are not restricted to traditional markets such as Western Europe and North America, but are also found in non-traditional markets such as South America, Africa and Eastern Europe as well as the South Pacific Islands. Indeed, some of these countries such as Venezuela, Nigeria, Mozambique, Poland and Fiji have indicated that they welcome investments from Malaysia.

The Profile of Ambassador 2000

8. The profile of Ambassador 2000 would reflect the change of emphasis that is now being developed. The political role of our Ambassador will remain important, and indeed crucial in some postings. However, the larger role of our Ambassador in 2000 would be the economic representative of the country.

9. It is envisaged that the Ambassador will maintain close contacts with Ministers and administrators related to economic, financial, industrial and trade matters in the host country. He is also expected to cultivate close

relationships with the business councils in the host country, as well as with the foreign business community there, generally. To maintain our competitive edge and comparative advantage globally, Ambassador 2000 needs to focus on the following skills—the expansion and strengthening of market intelligence; the provision of aggressive marketing, undertaking trade negotiations and enhancing expertise in international finance and investments, in international law, trading agreements and treaties.

Linkages

10. The close relationships with the private sector and the Government machinery in charge of economic and business affairs should be meaningful to the extent that such contacts would give useful information and finally materialize in the form of specific business projects or exchange of goods and services on a bilateral basis.

11. The Ambassadors, whilst overseas on their postings, are similarly expected to forge close links with related Government agencies and the private sectors in Malaysia. There should be frequent exchanges of information and personal contacts with officials from MIDA, Ministry of International Trade and Industry, Ministry of Primary Industries, the Tourist Development Corporation as well as our respective chambers of commerce and industry and the trade and industry associations.

The Versatile Ambassador

12. With the above mentioned tasks, the Ambassador in the year 2000 must therefore equip himself with new knowledge, negotiating skills and effective communication. The Ambassador would have to study the trade regimes of the host country including the laws, policies, trade practices as well as the social and cultural norms of their business community. The

Ambassador should have keen eyes on new investment and trade opportunities in the host country as well looking into future trends.

The Ambassador and Feedback Mechanism

13. Knowledge of trade regimes and investment opportunities would not by itself be meaningful if the Ambassador is not able to devise and implement effective feedback mechanism to ensure that the information gathered would be made available to Government agencies and interested investors and businessmen in Malaysia. The Ambassador should be able to present the information through feedback mechanism in such a manner as to attract the attention of both businessmen and administrators alike.

Functions of An Ambassador

14. So, what does Ambassador 2000 do? Idealy, he should fulfill the following functions: he is the visible representative of Malaysia in the land to which he has been assigned; he should oversee contacts with the nationals of the other country wanting relations with us; keeps Kuala Lumpur informed on conditions and attitudes in the other country; and participates in all negotiations between Kuala Lumpur and the other Government. Another important duty; he should be engaged in the building of attitudes of friendship and goodwill towards Malaysia on the part of the Government and people of the other country and the deepening of understanding between the two lands.

The Ambassadorial Ideal

15. We have to strive towards achieving the "ambassadorial ideal," which requires a combination of qualities particularly a deep knowledge and understanding of the other country, a broad enough comprehension of our Government's policies and world conditions to see the other nations in a

proper perspective. A knowledge of the language of the other country is important, so that the Ambassador will not be confined to the lower levels of the functions he is meant to perform. The effectiveness of the role of Ambassador 2000 depends also to a large degree on his personal qualities, and his contacts with the relevant Ministries and Departments in Kuala Lumpur and his other Kuala Lumpur superiors. Much also depends on the nature of the country to which he is assigned.

Traditional Roles of An Ambassador

16. In a traditional sense, one of the duties of Ambassador 2000 is to make himself as visible socially as possible. Inevitably, he may be placed in the social limelight. On almost any occasion, he may be called to say a few words. He should therefore develop the habit of never entering a room without first giving some thought to what he may say, if asked. Due to his background, the Ambassador may find the social life in the assigned country beyond his taste. He has to make the most of the situation. He has to adhere to all the protocols of diplomacy and the niceties of diplomatic life. So, Ambassador 2000 must require specialized knowledge and experience, and he must no longer be an amateur. We cannot assume that nothing could possible go wrong in our relations with any country, no matter who our Ambassador is.

17. The establishment of the Institute marks another step in the continuous process of upgrading our skills in the conduct of foreign relations. Your experience can be a valuable pool for the Institute to draw on as it formulates its curriculum and design its courses. I hope this workshop will produce results, namely an agreement on your part on the profile of Ambassador 2000. It has been put to me that when a conference of diplomats announced they have 'agreed in principle', it means nothing has been done. I am positive you could debunk this statement.

SPEECH DURING THE INTER-PUBLIC SERVICES GAMES DINNER AT CONCORDE HOTEL, KUALA LUMPUR —27 SEPTEMBER 1991

On behalf of the Government of Malaysia, I would like to extend a warm welcome to Dr. Andrew Chew and your charming lady and to all the other members of the Singapore delegation to Kuala Lumpur. I know you have been here many times before but on this particular occasion as Head of the Civil Service in Malaysia, and also on behalf of Sagiyah, my wife, I wish to offer a very special welcome to you, as Head of the Singapore Civil Service and Mrs. Chew. We last met in Singapore in October 1990. That was a very good get together. So we look forward to another interesting series of counterpart discussions.

The Old Boy Network

2. There are obviously many things we can talk about. I know we can call each other on the telephone easily. But there is nothing like talking directly face to face with each other. It was not so long ago that senior officials of both our countries enjoyed a very special relationship. They went to the same schools and universities. They had families in Malaysia or Singapore. The Old Boy network was therefore very special. That kind of rapport helped us in many ways—it helped to solve differences speedily and it helped to create a special bond between our two civil services.

Understanding Begets Tolerance

3. Today that link fostered by universities and families have receded. Of course, we remain close and friendly. We therefore attach a special importance to this gathering—the opportunity to play golf is an important factor—for it gives us the occasion to know each other better. Our two

countries have been welded together by history and mutual experiences. Our ideal is peace and goodwill among men. The more we learn about one another as individuals and as representatives of our respective professions, the better we will understand one another. Understanding, you know, begets tolerance and the more tolerance anyone of us can foster, the better will be the relationship between our two countries.

Bilateral Relations

4. This is important: as close neighbours our destinies are interlinked and intertwined. We as civil servants are less proven to excitability—except at the Golf Course—and therefore we are able to give a balanced approach in the conduct of our bilateral relations. Understanding of one another's sensitivities is also important—our historical past being such we must know our sensitivities. Greater appreciation of this factor will make our task as civil servants that much more manageable. I am sure that you will agree with me that, at the end of the day, what we want to see is good and mutually beneficial relations between our two countries.

Diplomacy

5. I wish all of you a good golf game and exciting tennis encounters tomorrow. I also wish the Permanent Secretaries, the Secretaries General, the Directors-General and the other chief executives fruitful discussions, of course, in the best of form of diplomacy—diplomacy is simply saying something nicely. I know many of you are good diplomats practising the art of saying things in such a way that nobody knows exactly what you mean. To the ladies, I hope you have a pleasant stay in Malaysia. Thank you very much.

SPEECH DELIVERED AT THE CLOSING CEREMONY OF THE MANAGEMENT SEMINAR FOR SENIOR WISMA PUTRA OFFICIALS AND SPOUSES, AT CARCOSA SRI NEGARA, KUALA LUMPUR—30TH APRIL 1992

I thank the Director General of the Institute of Diplomacy and International Relations, Y. Bhg. Dato' A.S. Talalla for his kind invitation to me and my wife to attend this function. Tonight's function seems a little different to me from others that I have attended in that I am faced with such a large number of diplomats and their spouses. Many definitions have been attached to a 'diplomat'. Such as a diplomat is one who can yawn with his mouth closed". The duties and responsibilities of diplomacy have also many definitions. For instance, a young diplomat should have good diplomatic relations with his boss. As you may know, a boss, be it a Secretary General, a deputy Secretary general or an Ambassdor have open minds. So the younger diplomat, being diplomatic, has to tell the boss that he (the boss) has an open mind instead of telling him he has holes in his head. Someone has also defined diplomacy as 'the patriotic art of lying for one's country". I know of many other definitions for diplomats and diplomacy which I shall save for the last part of my speech.

2. I wish to take this opportunity to speak of the changing profile of the prefession of the Malaysian diplomats.

3. In the global environment, we have witnessed a strongly bipolar world give away with the collapse of communism in the Soviet Union and Eastern Europe and the severe shaking of its foundation to its very roots in the remaining communist world. This change in the geopolitical configuration

with the consequent shifts in the realm of *realpolitik* ushered in a new world political order. Democracy has become the sole ideology for the world. At the same time the world economy is undergoing such rapid and marked changes never before experienced in the history of modern economics. Free market forces are everywhere evident. While the globalisation process of the world economy seeks a homogeneous global market, it also features the realities of such impediments as trade barriers, proctectionism and trade blocs. New realities generate new challenges and opportunities. In the light of the global scenario and the national goal setforth there is therefore a need to reassess the strategic requirements of our foreign policy and consequently the reorientation of the role and functions of the Malaysian diplomatic service. In my view three critical areas need to be addressed, namely: *(a)* the need to extend the focus of foreign policy from political diplomacy to economic diplomacy; *(b)* the consequent emphasis on new role, knowledge and skills; and

(c) the acquisition of relevant attributes of the Malaysian diplomat.

4. The political purpose of any foreign policy has its bases in domestic policies in the pursuit of national aspirations. Today the emphasis of our foreign policy must necessarily shift to economic considerations in the furtherance of our ambition to be a fully developed nation by the year 2020. Economics and, specifically, trade must be the new raison d'etre of our national foreign interest. Due to our limited domestic market, our continued rapid economic growth is dependent on foreign trade. This is not to say that political issues will be irrelevant but a rather critical shift in emphasis to economic issues is inevitable as we become increasingly dependent on export-led growth. It is therefore in our interest to ensure a free and just international trade regime for the world.

5. Economic diplomacy is far more difficult than the traditional political considerations in diplomacy. In the realm of international trade it is difficult to distinguish friends and foes. At times, political friends can become economic adversaries as their economies compete with each other.

6. Today, we live in a very competitive world. What we confront is not what we had expected. This very theory of "absolute advantage" is being shattered by various trade barriers such as tariffs, quotas, trade protectionist measures, bludgeoning trade blocs and even non-tariff measures unrelated to trade such as human rights, democracy, environment and others. The concepts of globalism and strategic alliances that once were synonymous with politics are now being increasingly attached to the realm of economic cooperation and interdependance.

7. The determinant national economic goals and the continually changing world environment demands a changing role in diplomacy and a reassessment of the duties and functions of the Malaysian diplomat. He or she must manage the diplomatic relations of Malaysia with the host country with the objective of gaining political or economic advantages for our country, and to promote international cooperation, with the emphasis on gaining economic advantages. With this objective in mind, he will henceforth be required to equip himself with the necessary knowledge, skills and initiative to hold his own in economic diplomacy. The profile of the Malaysian diplomat must consequently change. To be an effective representative of the Government, it is essential that you be well informed and conversant with the Government policies and their stated objectives.

8. Manufactured exports will account for 81.8% of Malaysia's export earnings by the year 2000. It is imperative that as heads of missions you must aggressively find ways to export our products by identifying potential

markets and provide feedback regarding them. You must also perform trade and investment promotion activities, with the cooperation of the MIDA and the Trade Commission offices which may be located in the diplomatic mission. You must utilise the full potential of the access you have to the highest level of Government, lobby groups, industry, banks etc. in the country of your accreditation.

9. Economic surveillance in this age of information technology takes on a more urgent commitment on your part to anticipate moves by the host Government and to analyse shifts in policy. Trend analysis is vital to our planning mechanism and it is therefore essential for you to relay them to EPU, MITI and MIDA. I must emphasise here that speed and accuracy of work is the hallmark of excellence. The days of scanning newspaper cuttings have been overtaken by electronic communication devices such as fax machines, computer etc. With modern electronic and telecommunication technology, access to all kind of information is possible. The possession of knowledge and vital information provides the winning edge in this competitive world.

10. A main contributor to our economic growth is tourism. The industry is characterised by high destination elasticity, often subjected to both real and perceived factors, be they positive and negative. Promotional activities for Malaysia's tourism have to be enhanced greatly if we are to compete effectively. Malaysia has targetted 20 million arrivals by the year 2000. You should partake in special speaking engagements on tourism to generate greater publicity for the country. You need to have good access to the chief executives of the local media and cultivate their goodwill and rapport in order to influence the publication of news, articles and even the angle of presentation of tourist destinations of Malaysia. This rapport is extremely useful to ensure materialisation of the TDC's media efforts as well as in damage control of adverse reports. Through your good access to decision

makers in your host country, you can act as the catalytic agent to provoke the selection of Malaysia for meetings, incentives, conventions and exhibitions (MICE).

11. While the smear campaign against tropical vegetable oils in the US has ended, the anti-tropical hardwood campaigns in Western Europe and other industrialised countries, spearheaded by environmentalists and NGOs are gaining momentum. In addition to the economic policy imperatives, you must be alert and wary of potential sources of detraction to our national interests in the international arena be it political, economic or otherwise. We have not been spared of the devious and dubious claims of specific vested interest groups against our policies and practices related to the environment, human rights, workers' rights, democracy, free trade zones and a host of other issues. They seek to raise such non-trade issues to block or impose conditions for the access of our products to the marketplace of the West. You must take great pains to dispel the myths and half-truths thrown against us. You must therefore equip yourself with sufficient knowledge to effectively dismiss their false allegations. To be forewarned is to be forearmed and as these threats increase we shall be increasingly depending on you being alert and proactive.

12. The Malaysian diplomat is also expected to be highly knowledgeable about the country to which you are accredited including its domestic and foreign policies. You must have a full comprehension of its laws and practices and the social and cultural norms of their business community. You must quickly discern trade and investment opportunities the country offers. The conduct of your diplomacy in the country is based on sound knowledge and informed predisposition.

13. The Malaysian diplomat must posses specialised knowledge on international trade laws, multilateral and bilateral agreements and the policies of regional groupings. The complexities of world trade regime require you not only to be aware of the declared policies and practices of our trading partners but also understands their official and unofficial attitudes. You must monitor economic trends to extrapolate future trends.

14. As heads or missions you must not only possess knowledge but must also have acquired certain *skills* critical to the effective and efficient performance of your job, including: (i) negotiating (ii) marketing (iii) communicative and language (iv) inter-personal (v) interlocutory (iv) leadership (vii) counselling, and ix) public relations.

15. In order to allow you to be a good negotiator in economic diplomacy you must be adept in global economic trends, trade regimes, international laws and treatises, international finance and investment, trading agreements and treatises, market mechanism, fiscal and monetary policies, etc. The Malaysian diplomat must acquire the necessary marketing skills to promote our export. You must be sharp in market intelligence and keep abreast of the market mechanism and indicators.

16. You must surely be able to express yourself clearly to be understood. You must be proficient in English and one other international language. Knowledge of the language of the country of your accreditation allows you greater access to information and extend your circle of contacts. The possession of good interpersonal skills will enable you to handle your liaison role more effectively. Putting people you are dealing with at ease in the first instance builds confidence and trust thus fostering friendship and goodwill. It gives added impetus in the promotion of good relations. Good public relations is build on good interpersonal skills which will lead to your success as the amiable diplomat.

17. One of the forte' of the diplomat is to be articulate. He needs to have his interlocutory skills sharpened through speaking engagements. In otherwords, you need to be our country's best salesman overseas. You must seize the opportunities available for speaking engagements to promote your country and its positions on international issues. In line with the changing focus of our diplomacy, you are expected to cultivate close relationships with the Government, business and media communities of the host country as well as foreign business communities at your post, in order to further our interests in trade and investment. You need to maximise on social functions, cocktails and also, to establish and renew contacts as well as gather information to keep Kuala Lumpur informed and posted on business opportunities, markets, price movements and other intelligence. You should solicit invitations for speaking engagements to sell Malaysia, our business and investment opportunities and tourist destinations.

18. Diplomatic missions are essentially information based organisation. Your ability to acquire, process and utilise information will determine the effectiveness of the Mission you run. Speedy relay of information to Kuala Lumpur is crucial if information are to be useful. An effective communication and feedback mechanism must be devised to ensure maximum premium of information to Government and business in Malaysia. Linkages and communication network between Missions, pertinent Government agencies (MITI, MIDA, Ministry of Primary Industries, TDC) and respective chambers of commerce and industry, business councils and trade and industry associations will consolidate further our interests in the competitive marketplace.

19. You must accord fullest assistance to our own businessmen in their ventures overseas, whether in trade or investment, in the spirit of Malaysia Incorporated. The mission must establish linkages with the Malaysian

private sector to ensure their business interests are pursued and enhanced overseas. You must be able to put our businessmen together with potential partners from your host country for business ventures either at home or the country you are accredited to, materialising in business projects or trade.

20. The personality of the Malaysian diplomat personifies the very image of the nation and the society he represents. The Malaysian diplomat must be epitome of confidence, able to carry himself with dignity. Sometimes, of course, dignified silence is often a mask we wear to hide our ignorance. The Malaysia diplomat must adhere to the protocol of diplomacy and should not compromise on social etiquette. I hope that your experience and with what you have acquired through the seminar at the Institute will mould you into a good Malaysian diplomat. One should not be abrasive. If you can pat a guy on the head when you feel like bashing it in, you are a diplomat. The Malaysian diplomat should also oberve his degree of frankness. There is something wrong in international relations when a diplomat is called courageous if he speaks the truth. Speaking about tact, a foolosh man tels a woman to stop talking so much, but a tactful man tells her that her mouth is extremely beautiful when her lips are closed.

21. Patience, forbearance and understanding are companions to sontentment. Faith is better company than imagination for the wife when the diplomat husband fails to come home on time. Of course, at times, you must also be suspicious; that is when he gives you an unexpected gift.

SPEECH DELIVERED AT THE COMPUTER SEMINAR FOR SENIOR MANAGERS ON 'STRATEGIC INFORMATION SYSTEMS' AT INTAN, JALAN ELMU, KUALA LUMPUR —13TH AUGUST 1991

I am confident that this seminar will assist top management to understand the concept and importance of strategic information systems as well as their responsibility in planning and implementing such systems for their respective agencies.

2. I would like to take the opportunity to express some views on what I consider to be the important role of the Public Service and also the importance of ensuring that comprehensive, current and quality information is readily available to agencies to assist them in carrying out their roles.

The Importance of Information in Organisation

3. Information and information-flow are among the important resources in any public service organisation. Peter Drucker in his book, "The New Realities" (Harper & Row, Publishers, New York, 1989) predicts that large organisations like Government agencies will gradually change into information-based organisations whereby the effectiveness of the organisation will depend on its ability to process and utilise the information for operational purpose or managerial purposes.

4. The capacity to process and prepare the information also influences the speed in which an organisation moves and takes action. In this matter, Alvin Toffler in his book "Power Shift: Knowledge, Wealth and Violence at the Edge of the 21st Century" (Bantam Books, New York,1990) has

differentiated the world economies into those that are fast-paced and those that are slow-paced. Those economies that move fast will continue to progress and with the use of modern technology like computer and communications will expedite the process of idea generation, R & D, production and marketing. While traditional economies which are poor in information and slow in reacting to external changes will perpetually be in a slump.

The Capacity of the Public Service

5. What is said for world economy can also be said for public sector institutions whereby in any nation the capacity of the public sector to move with speed will be one of the critical factors that ensure the competitiveness of that nation.

Role of the Public Service

6. The Public Service has 4 roles, namely:-

(i) Maintenance of public interests and order;

(ii) Implementor of socio-economic development programmes;

(iii) Prime Mover; and

(iv) Facilitator.

I would like to touch on the various kinds of information that are required for each of the above roles.

Maintenance of Public Interests and Implementation of Development Programmes.

7. The role of maintaining public interests and implementing development programmes is more operational in nature. The effectiveness in carrying out

these roles depends more on the ability to provide efficient services. For instance, the effectiveness of the Immigration Department depends more on its ability to monitor the entry of persons into the country, issuance of passports and keeping track of foreign visitors.

8. In this case, the information required is more from internal sources generated through operational processes. Such information is more quantitative, routine and repetitive. It is easy to collect, to be stored into computers, to be vetted for its validity and accuracy and to be processed. There are many information systems in Ministries and departments to process such information. According to MAMPU's data, as many as 393 mainframes and mini computers have been installed in Government agencies up to 1989.

9. Substantial benefits have been derived from the implementation of the above information systems. For example, the computerisation of the Inland Revenue Department (IRD) has increased its operational and clerical productivity. It enabled the department to handle additional workload from a million files in 1984 to 1.5 million in 1989 without staff increase.

Strategic Information

10. To play the role as pacesetter and facilitator, Government agencies should possess strategic information which not only reflects the current implementation of on-going projects but also environmental factors which could influence the role and functions of these agencies. For example, in INTAN itself, planning of the training strategies for civil servants would not only require aggregate information on course evaluation and the number of officers trained, but also on the needs of prospective clients.

Information For Formulation of Strategic Planning

11. As such, it can be concluded that information for the formulation of strategic planning can be divided into two categories, that is aggregated internal information and information on external competition and the environment. The latter, which is usually obtainable from the documentation and reports, covers a wider scope, is objective and is generally confidential. These include information on competitors and their trade record, information on the future scenario of several industries and various alternatives which could be considered in strategic planning. Such information is normally hard to interprete, to be streamlined, structured and stored. Information in the form of text books such as papers and reports, and its storage in the computer involves high costs.

12. It is observed that most computer systems currently installed in Government agencies are more oriented to the storage of data for operational purposes. Efforts should therefore be made to ensure that public agencies also possess information to assist in or strategic planning, especially in keeping with the role of the Public Service as pace setter and facilitator.

Information Technology

13. Information technology which combines the technology of the computers and telecommunications has proven to be able to collect, process and disseminate information for the use of departments. In organisations such as banks and airline companies, information technology forms the basis for their operation.

Strategy For Information Usage

14. In order to make use of information technology as a strategic tool, an agency needs to have an effective strategy on the usage of technology. Such

a strategy should contain objectives for "reach and range". "Reach" means the locations which is accessible to the technology. The ideal situation is where technology can reach every unit and officer wherever they are. For example, for the Ministry of Health, the accessibility has to cover every hospital and every health centre in the country. The "range" or coverage means the extent of direct and automatic information sharing regardless of the service or system used.

15. In an effort to make strategic gains from investing in information technology, it has been agreed that the open systems should be made a standard practice in the public sector. The open system is an approach to ensure portability, scalability and interoperability of applications on different platforms as well as interconnectivity of different makes of computers to facilitate the exchange of information. In relation to this, the framework to implement the open system in the Public Sector will be published through the Open System Guidelines which are currently being prepared.

VISION 2020—MANAGEMENT FOR TOMORROW

SPEECH DELIVERED AT SEMINAR ORGANISED BY THE ASIAN INSTITUTE OF MANAGEMENT AT MANILA—13 FEBRUARY 1992

It is indeed an honour and a privilege for me to be invited to be the Guest Speaker at this conference. I have been requested to speak on the subject of **"The Asian Manager in the Public Sector in the Year 2020"**. This is a complex subject to speak on. There are a few reasons for this view. Firstly, who is the "Asian manager in the public sector" that I can refer to? For the purpose of this speech, the "Asian manager" that I will refer to is the higher civil servant, namely the Permanent Secretary or the Secretary General of a Ministry, the Director General of a Department or a bureau chief. Secondly, there is the phenomenon of political pluralism in Asia, with some countries practising the western style of democracy (with multi party systems); some practising semi-democracy, while some countries are neither democratic nor semi-democratic. Thirdly, as a result of the different political systems, and the economic structures, there are basic differences too in public sector structure and functions. The social and economic environment during the next 30 years will generate difficulties for the public sectors in all the Asian countries; the citizens themselves will no longer represent the pliant population that they once did. The Asian continent, the home now for well over 3 billion people constituting 60% of the inhabitants of this earth, will have a population of 4.4 billion in the year 2020 out of a world total of 7.8 billion. The proportion of urban inhabitants in Asia is currently 30% and is expected to be 50% by the year 2020.

2. The globalisation of the world economy in the areas of trade, finance, labour and technology now has tremendous implications for the Asian countries. The world economy is now characterised by an increasing

reliance on foreign markets for the sale of domestic products, rapid movement of capital and funds across national boundaries, and the growth of labour migration from one country to another. The world has also dramatically 'shrunk' in geographical and social distance through advances in communications, transportation and information processing technologies.

3. The developing countries in Asia, fall along a range that varies from states where virtually all modern sector enterprises are heavily regulated to states where laissez-faire policies prevail. But only a handful of Asian countries fall into the laissez-faire category. In the socialist states of Asia, large enterprises have almost no autonomy from Government and are really integral parts of the bureaucracy. The Asian manager in such a situation will face a dilemma : he is the regulator as well as the state entrepreneur. He is faced with a conflict of interest situation.

4. In Asia, we have seen the growth and the increasing influence of public agencies. All governments are responsible for collecting taxes, and all governments perform some regulatory functions. How these tasks are carried out can have a fundamental effect in a country with a market economy, whether the market will function well or not. From the standpoint of making the market work, the important step is to remove as much discretion as possible from the regulatory chief executive. Discretionary authority in the hands of the regulatory official is a common means of achieving bureaucratic control over the direction of the economy, taking that control away from the market. Discretionary authority also leads to delays, and delays may often be artificially created in order to elicit favours. In the societies of the past, good government had depended on good people. If dedicated people controlled the bureaucracy, they would be given wide discretionary authority and the public good would be served. The modern

view of public administration, however, has stressed how discretionary power could corrupt even well - intentioned bureaucrats. The essential point is that the management of a private enterprise requires simple and clear goals, few rules beyond those goals, and a great deal of flexibility and discretion in meeting those goals. The requirements of a good public service regulatory system are virtually the opposite of the private sector. Fairness, and avoidance of corruption demand a minimum of discretionary flexibility at any level, including that of the chief manager. His powers and authority should be clearly defined and made transparent, so that he does not go beyond the scope of his prescribed authority and also does not act on the basis of personal values.

5. One of the significant outcomes of globalisation has been the imperative for greater and intense public-private sector collaboration in national development, in order to forge ahead in an increasingly competitive global marketplace. Malaysia has recognised this imperative, and has since introduced the Malaysia Incorporated Policy. Malaysia Incorporated Panels have been set up facilitating the meeting between senior managers in both the private and public sectors. As is well known, senior managers in the public sector set the style and tone for conducting public business. In the past, in many Asian countries, they had been criticised for being unduly privileged, unworldly, arrogant, unenterprising, lacking in expertise and devoid of the managerial skills necessary in an era of complex interventionist government. The Malaysia Incorporated policy has led to a greater understanding by the private sector of national policies, objectives and procedures in order to facilitate their dealings with the government. There is now a greater appreciation that some regulations and procedures are not made to frustrate them, but are in fact a means of ensuring orderliness in trade and industry. If these regulations and procedures are found to be unduly obstructive, they can be modified by proper use of the Panels which

have been established to serve as the channel of communication between the public and the private sectors. The Malaysia Incorporated Policy has succeeded in creating a mutually beneficial relationship between both sectors in terms of joint activities in productivity improvements and quality assurances in government departments, and the joint development of human resources through an attachment program for middle level civil servants in large multinational corporations. The head of the public sector agency in Malaysia is required to be the facilitator in forging a positive public-private sector nexus within the context of developing and moulding a competitive national spirit.

6. Asian countries, moving towards the year 2020 need more than competent bureaucrats; they also need more effective managers who are innovative, and ever ready to remove the dead hand of bureaucracy and revitalise managerial systems that have become so rigid, stultifying and burdened with red tape that they cripple government performance and make public sector management cost-ineffective. Specifically, a new management philosophy is required that emphasises on the attainment of managerial excellence, and linked to evaluation of public agency performance. The change demands that the higher civil servant should view himself as a manager, responsible for the efficient management of resources rather than as an administrator who processes paper in the implementation of government policies or the mere application of the law. This is the basic distinction between proactive management and reactive administration.

7. The Asian manager in the public sector towards the year 2020, will have to be a change agent, to overcome bureaucratic inertia or the bureaucratic mindset that suffocates innovation. He has to make government more effective; by making government more effective, the government could do more. By giving better value for money, public expenditure would go

further. By freeing the public of needless bureaucracy, people could devote themselves to more important tasks. By improving public sector performance, the government could be more responsive to national aspirations.

8. The Asian manager in the public sector in the coming years must spearhead the efforts to develop and institutionalise an organisational culture where quality and productivity improvement is seen as a way of life - a '*mind set*' that permeates the entire organisation. The manager's 'mind set' should be characterised by the internalisation of values such as the concern for cost, timeliness, meeting targets, and most certainly, responsiveness to the customers he serves. In Malaysia, the head of a public sector agency is required to implement quality and productivity improvements in his organisation. Innovative ideas and suggestions on quality and productivity improvements from staff members are given recognition in the form of monetary and other incentives. All public sector agencies are required to formulate Manuals of Work Procedures and Desk Files for each member of the staff. A Manual of Work Procedures is a reference document at the agency level that gives an overall picture of the agency, its functions, procedures and the staff responsible to perform these functions. The Manual of Work Procedures systematically documents the sequences of a job, which consists of certain processes and procedures, and if these are carried out accurately and efficiently, will increase the productivity of an agency. A desk file has to be prepared for each individual and post in an agency. The network of procedures, the checklist of duties, and the source of his authority as contained in the desk file serve as a step-by-step guide to enable a staff member to carry out his duties efficiently.

9. Quality improvement efforts in public sector agencies in Malaysia are supported by seven quality programs, namely (i) having a quality suggestion

system, wherein staff members are given recognition for any creative or innovative idea to improve the quality of output or service; (ii) instituting the quality process system wherein every step of the process involved in producing the output or service is documented in detail in the form of flow charts; (iii) having a quality inspection system, wherein a public sector agency head is required to inspect the various stages of the work process, and to identify defects; (iv) having a quality day, to celebrate the agency's achievements in quality management; (v) disseminating the quality slogan, to instil awareness of quality in staff members, the agency's vision, and the quality values that every staff member should possess; (vi) installing the quality feedback system, wherein the agency will collect feedback from the public with a view to further improving the service, and (vii) providing the quality information system, wherein the agency is required to provide information to the public as to the kind of services the agency provides. To ensure that these programmes are implemented, the government has created an inspectorate system. It is the responsibility of the chief executive of each public sector agency in Malaysia to ensure that these quality administrative practices are repeated over time to ensure that they become part and parcel of the daily work culture.

10. The stress is also on productivity improvements and public sector agencies are not only required to establish indicators to measure productivity, but are also required to eliminate unproductive practices. Heads of public sector agencies are required to improve the level of productivity by working on the factors which influence productivity such as efficient utilisation of manpower, streamlining systems and procedures, organisational restructuring, efficient management style, improving work environment and, efficient use of technology, materials and capital equipment. These efforts at productivity improvements are to be undertaken continuously. The impact of this reform has been to switch attention from

process to substance, from general to specific improvements in individual public sector agencies. The Public Service cannot be run like a business, although it could be more businesslike.

11. Almost all Asian countries want their civil servants to be ethical executives. The manager, therefore, must not engage in activities which are considered unethical by Public Services of most countries namely acts of bribery, graft, patronage and nepotism; acts involving conflict of interest, including such activities as financial transactions to gain personal advantage, misuse of inside knowledge, and the favouring of relatives and friends in awarding contracts or loans. In Malaysia, civil servants from the Chief Secretary to the Government right to the lowest position have to declare their assets, and they have to report to the disciplinary authorities on further acquisition and disposal of assets; civil servants may, with permission, own shares in public listed companies not exceeding M$50,000/; they can only form family holding companies to manage their declared assets; they are prohibited from engaging in any form of business activities. Speaking as the chairman of both the Promotion Board and the Disciplinary Board of higher civil servants in Malaysia, no officer can be considered for promotion unless he has complied with all these rules and regulations governing his conduct and discipline.

12. Due to the differences in political systems in Asia, there are also ensuing differences in the concept of public administration. Many scholars of public administration are of the view that the basic foundation of a responsible, responsive and objective public service is the principle of *neutrality*. The civil service must strictly adhere to the principle of neutrality by serving the government of the day in a dedicated and loyal manner; civil servants must discharge their duties in a positive manner by implementing the policies of the government, irrespective of their personal preferences

and judgments. This is the cornerstone of the tradition of public service neutrality. In the same vein, civil servants must continue to uphold their intellectual honesty by providing objective advice, and opinions to the government. Civil servants must adhere to a professional *code of ethics*, and pledge to uphold the authority of the legitimate government. In Malaysia, the higher civil servants are not allowed to participate in political activities. They are career civil servants.

13. There are three patterns of greater public sector involvement in the economy and society. One is the American revolving door system, wherein there is a great deal of movement back and forth between the public and the private sector, with most people staying in government only a few years. The majority of these posts would be political appointments, positions normally occupied by civil servants in other countries. A second pattern is that in which officers leave the civil service at a certain stage in their careers and go to work for the private sector. It is a normal step in the career patterns in Japan, for top civil servants from the Ministry of International Trade and Industry to take lucrative posts in the private sector after retiring early from the Government. In Malaysia, the trend is for the private sector to appoint retired officers who have served the civil service and country well. They have privileged access to friends, former colleagues, and former subordinates who are still in government office. Finally, there is a system in Asia and elsewhere in which a civil servant is not considered incompatible with a political career; in this system, the civil servant can leave the government temporarily while pursuing a political career, and then return to the civil service.

14. For effective public management in Asia, I am of the view that the career system in the public service is the most desirable. The question to ask is : during that journey of 30 years towards the year 2020, will Asian

governments have to go outside the public service to complement the internal supply and seek managerial talent? Some say that the bureaucratic elite should always be leavened by a sprinkling of capable, proven outsiders who would move in and out of government and would also move around government, energising and revitalising inert bureaucracies. One concern with that system is the perception of the values, job, and norms of the public service which are distinct from the private sector. The danger of this system would be the accusation of politicisation of senior positions, as some governments would relish this freedom to pick and choose bureaucratic chiefs at will. The other demerit will be that many will see such public service as nothing more than a booster rocket on a one-way journey to wealth and power. The civil servants in Malaysia are career civil servants impartially administering programmes *pro bono publico* and in accordance with the letter of the law. The public sector has thus far served the country well.

15. The advance of information technology in certain Asian countries has an impact on the management of the public sector. The perceptible shift towards a more information-based organisation would dictate that the public sector manager must be computer literate. He must also be proficient in the application of the management information system and office automation technologies; he must have the knowledge for the effective use of informatics. The manager of the future in the public sector would then be capable of executing tasks efficiently, making clear decisions and delivering high output with the minimum of supervision, not having to go through the vast paperwork jungle.

16. Helpfulness should characterise the dealings of the Public Service with members of the public who should be informed of their rights and assisted in obtaining their legal entitlements. Their complaints should be

treated with respect and dealt with promptly. Possibly the most grievous of all bureaupathologies is wrongdoing that goes undetected for which no one claims responsibility and which goes uncorrected even when pointed out. The overloaded Asian manager in present times, and undoubtedly in the year 2020, cannot know about everything that happens throughout the elaborate government machinery or the millions of daily transactions between his officials and the public. We have seen that where there exists a high degree of accountability in the public sector, the society is better served. Accountability in the public sector is generally defined as the obligation of the officer or the public agency to provide answers and explanations concerning one's actions and performance to those who have a right to require such answers and explanations. The concept of accountability in financial management is closely related to the responsibility of public officers to manage public assets and resources in an efficient, trustworthy and fair manner. In many countries, including Malaysia, accountability mechanisms are built into the laws, regulations and the institutions controlling public expenditure. The Secretary General of a Ministry as the controlling officer is answerable to Parliament through the Public Accounts Committee, which holds public hearings. The Auditor General's reports on accounts of public sector agencies are also released to the public. The Cabinet Committee on Government Management investigates improprieties in public agency management and identifies areas for improvements to reduce wasteful expenditures. Members of the public can seek administrative justice through the Public Complaints Bureau. The annual report of the Public Complaints Bureau is an open public document which serves to inform the public on maladministration. Public sector agencies have also installed suggestion or innovation boxes, an approach which is in line with the concept of accountability which is a fundamental requirement of a government practising parliamentary democracy. The mass media has made it easier for the population to be

informed about the actions of the bureaucracy. During the coming years ahead in Asia, we may expect more public concern and involvement in public affairs.

17. The Asian manager who has the values and who can undertake the functions that I have just outlined, and whom we seek, may already exist in some countries, but may not yet exist in some. The exact profile of the Asian manager in the public sector is up to each respective country to form, shape and develop. The Asian manager in the public sector in the year 2020 will see a Malaysian, Japanese, Filipino or a national from any other Asian country, having management orientation, style and set of practices which are different from country to country. The presumption is that political values, and the socio-cultural milieu will impinge upon the respective public sector in fundamental ways. Management and organisation systems within a society do not remain stable as the milieu under which they function are subject to change. So too will be the Asian manager in the public sector in the year 2020, where his functions, style of management, and the values which he holds may be fundamentally different from the manager which we now have in our respective environments.

TEXT OF OPENING ADDRESS AT THE SEMINAR ENTITLED "THE LEADERSHIP CHALLENGE STRIVING TOWARDS 2020: CHALLENGING THE FUTURE" ORGANISED BY THE MALAYSIAN STRATEGIC CONSULTANCY ON 28TH MARCH 1992, HELD AT THE PAN PACIFIC HOTEL KUALA LUMPUR

I am honoured to be given this opportunity particularly when the speakers are Dr. Ken Blanchard and Mrs. Marjorie Blanchard, world famous authors in their respective fields—Ken Blanchard in the area of leadership and management, and Marjorie Blanchard in human resources. Both Ken's book 'The One Minute Manager' and Marjorie's best seller 'Working Well—Managing for Health and High Performance' have wide readership in this country. We share many of the views presented in their books. One in particular is the notion of working well—highlighting the fact that healthy people produce better results. In this respect, Marjorie would be pleased to know that the civil service has specific fitness programmes to get the higher civil servants well and fit.

2. Ken would be interested to know also that the civil service values time as much as the private sector. All civil servants in Malaysia, including myself, clock in and clock out, similar to what is being practised by many in the private sector. Civil servants have also been instructed to be conscientious in the use of time. We are so focused about the frugal use of time and timely actions by civil servants that we even issue specific guidelines to all out Government officers on these matters.

3. We are living in a world of competition, where information technology plays a crucial role. So important is information technology towards

competitive positioning that the phrase "IT and Competitive Advantage" has become somewhat a common cliche in modern management. We should take note however that it is not the technology itself that creates the competitive edge, but the management's and leadership's exploitation of technology that is really behind the successful stories of competition. In the business world, competitive positioning is very much a function of strategy and the foresight of leadership and management.

4. The primacy of knowledge is also a dominant theme when discussing future scenarios since knowledge is a critical resource of the future. Joseph Badaracco (The Knowledge Link) classifies knowledge into two—migratory and embedded. Migratory knowledge is so called because it is easily transferable. Migratory knowledge offers potential for technology transfer and Malaysian managers therefore need to establish mechanisms for the free flow of information along with the transfer of technology into the organisation.

5. Embedded knowledge on the other hand is rather fixed and peculiar to the organisation concerned. Examples are the organisational culture and decision making styles embedded within an organisation. Japanese management style, for example, is steeped in Japanese values and traditions and may be more difficult to be transfered to different national environments. Since some aspects of embedded knowledge are beneficial, managers therefor have to continuously learn and find ways and means by which embedded knowledge can also be transfered and used in local environments. In a certain sense, the Malaysian Look East Policy is basically our attempt at gaining embedded knowledge recognising that eastern values, traditions and decision making styles can be adapted and adopted in Malaysian organisations.

6. Malaysia recognise the challenge of the synergy that is needed between the public and the private sector to spearhead the country towards becoming a developed nation. As head of the civil service, I envisage that this collaborative role depends very much on how well the public sector can meet its current and future challenges, some of which are:

(a) ensuring a commitment towards providing quality service;

(b) ensuring fast and efficient delivery of services through continuous simplification and reduction in regulations and procedures;

(c) creating a highly motivated and customer oriented workforce;

(d) ensuring the adherence to strict principles of discipline and accountability;

(e) ensuring efficient information management and better information dissemination through the use of information technology; and

(f) establishing a work culture steeped in values and ethics such as trust, responsibility, sincerity, dedication, moderation, diligence, clean, discipline cooperation, honour and gratitude.

7. With respect to values, I have spoken once before on the 12 reminders that can be helpful in obtaining a sound sense of values, namely: (i) the value of time (ii) the success of perseverance (iii) the pleasure of working (iv) the dignity of simplicity (v) the worth of character (vi) the power of kindness (vii) the influences of examples (viii) the obligations of duty (ix) the wisdom of economy (x) the virtue of patience (xi) the improvement of talent and (xii) the joy of originating.

8. The sense of sharing the aspiration and perception of making Malaysia a developed nation by 2020 is that quest for Visionary Leadership by all of

us—the modern leadership of managers and technocrats developed in organisations to serve the country. The task before us, to quote George Washington, is to ensure that "the same spirit does animate the whole" i.e. the same spirit of Vision 2020 of our leaders must transmit to the network of organisations which all of you are leading.

9. Today, we note that in any organisation, the successful achievement of competitive goals requires that top management accept the challenge to become leaders—leaders, who can bring people together to accomplish the extraordinary. Traditionally, in the past, management has been treated as a mechanical discipline and leadership has been treated as "mystical and ethereal". Charisma seems to be synonymous with leadership. But leaders should be treated with respect, not awe. There is need to identify the idea of a guiding vision and what it means to empower people. The need for passion, enthusiasm, inspiration, listening, enabling and vision creation are crucial ingredients for contemporary leadership to appreciate in order to revitalise organisations for the future.

10. The growing folklore developing about leadership suggests that leaders are prescient visionaries with Merlin-like powers. To be sure, leaders must have a vision, a sense of direction, but the vision need not show any psychic foresight. It can spring from original thinking or tangible reflection. When leaders discuss their recipe for success, they describe feelings of inspiration, passion, elation, intensity, challenge, caring, and kindness. Today, the theme of the seminar is the 'Leadership Challenge'. It is about leading people, not merely managing them. Leadership begins whenever management ends, and where the system of rewards and punishments, control and scrutiny, give way to innovations, individual character and the courage of convictions. It is about movers and shakers, about people who make things happen, about people whose presence makes the difference.

11. Developing leadership, building high performance teams, mastering performance management, willingness to change and a commitment to Total Quality Change are possible and feasible value systems that we can leave behind for posterity.

12. In the management of change in the Public Service, due recognition is given for efforts at administrative improvement through the granting of Public Service Awards. The reward for excellent performance not only provides satisfaction and further motivation for one to strive for greater excellence but also motivates others to emulate such efforts. In the efforts to improve productivity and quality in the Public Service, the Government has introduced several awards to recognise and to honour Government departments that have shown excellent performances. Some of the major awards are:

(a) the Prime Minister's Quality Award for the Public Sector; and

(b) the Public Service Quality Awards which consist of the Chief Secretary to the Government Quality Award; the Director-General of the Public Service Department Quality Award; and the Director General of the Malaysian Administrative Modernisation and Management Planning Unit (MAMPU) Quality Award. These awards are given on a macro basis where assessments are based on general management principles and practices.

13. As a further step in the drive to inculcate the culture of work excellence, the Government has decided to introduce a new set of awards that recognises excellent performance at the micro level. Six Special Awards will be introduced this year to recognise excellence in six functional areas. These Special Awards are:

(a) **Counter Service Awards**, which are to be presented to the top 3 Government departments which have shown excellent standards

of performance in providing counter services. In assessing the winners of this award, the criteria will include such aspects as the provision of facilities to customers; systems and procedures; office equipment; and courteousness and cordiality of the counter staff.

(*b*) **Management Information Awards**, which are to be presented to the top 3 Government departments which have achieved excellence in the utilisation of information technology. In assessing the winners of this award, the criteria will include such aspects as strategic planning; organisation management; scope of information system; support services; and the effectiveness of the information system.

(*c*) **Project Management Awards**, which are to be presented to the top 3 Government departments which have shown excellence in the management and implementation of development projects. In assessing the winners of this award, the criteria will include such aspects as organisational structure; project management system; and the mechanism as well as the techniques in project management.

(*d*) **Human Resource Management Awards**, which are to be presented to the top 3 Government departments which have focused on the development and utilisation of their human resources in meeting their requirements. In assessing the winners of this award, the criteria will include such aspects as human resource development plans; efforts carried out to enhance the levels of skill, expertise as well as knowledge of all workers; strategies used in the assimilation of positive values and work ethics among the workers; and the personnel recognition system.

(e) **Financial Management and Accountability Awards**, which are to be presented to the top 3 Government departments which have exhibited excellent features in financial management and accountability. In assessing the winners of this award, the criteria will include such aspects as the system used in the preparation, monitoring as well as the operation of budget; storage and maintenance of financial records; management of capital equipment, inventory and office supplies; revenue collection system; preparation of annual financial reports; and responses as well as answers to audit queries.

(f) **File Management System Awards**, which are to be presented to the top 3 Government departments which have maintained excellent file management system. In assessing the winners of this awards, the criteria will include such aspects as the file tracking and retrieval systems; indexing and subject classification system; records and documentation; and procedures in the storage as well as management of files.

14. The Government has also decided to give due recognition to 'leadership' in the efforts at administrative improvements and innovation. This is to be done through the linking of the Public Service Award System with that of the annual Federal Awards and honours system. The departments which win these annual awards will be given cash as well as honour scrolls and trophies.

15. To quote H.Ross Perot, "Inventories can be managed, but people must be led". I hope this Seminar will give a professional insight on how to be good leaders to deliver Vision 2020 for the country. I hope we can participate and exchange views on this very important subject with our distinguished speakers.