# THE CIVIL SERVICE OF MALAYSIA
## *Towards Excellence*
## *Through ISO 9000*

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# THE CIVIL SERVICE OF MALAYSIA
## *Towards Excellence Through ISO 9000*

(Improvements and Developments in
the Civil Service of Malaysia 1996)

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I am pleased that the Civil Service is once again able to publish its report on the implementation and progress of administrative reform efforts throughout 1996. The tradition of documenting and publishing reports on such reform efforts which was introduced by the former Chief Secretary in 1990, will be continued as a significant step towards increasing resource materials on the Civil Service.

Various administrative reform efforts were implemented in the Civil Service in line with the ever changing demands of the day. In addition to the increasing needs and expectations of the customer, the challenges arising from the globalised economy and the tremendous development of information technology have spurred the Civil Service to upgrade its administrative machinery. Its major mission is to provide the best possible service to the public at large while at the same time ensure a conducive environment to facilitate economic growth and enhance national competitiveness in meeting the objective of making Malaysia a developed nation by the year 2020.

The reform efforts are geared towards the inculcation of values of excellence in the Civil Service such as quality, productivity, innovation, integrity, accountability, discipline and professionalism. The programmes that have been introduced emphasise *(a)* providing customer-oriented services; *(b)* improving systems and procedures; *(c)* streamlining organisational structures; *(d)* upgrading human resource development; *(e)* enhancing accountability and discipline; *(f)* strengthening efforts at inculcating values of excellence; *(g)* enhancing the use of information technology and *(h)* strengthening collaboration with the private sector. These efforts will be further strengthened in the years ahead.

One important programme that was introduced recently in the Civil Service is the implementation of MS ISO 9000. Its implementation will bring about a paradigm shift in the system of management and work culture in the Civil Service. It will enable a more effective quality management system that emphasises process management based on principles that will guarantee products and services that meet the needs of the customer. The deciding factor for the success of this programme is the commitment of all heads of Government agencies to motivate, lead and guide the employees of their respective agencies in fully implementing the requirements stipulated under MS ISO 9000. It is hoped that all Government agencies will focus their efforts on this initiative.

Part of the success of the Civil Service in introducing management and administrative reforms is the result of the increasingly widespread use of information technology. Attention will continue to be focused on expanding the use of the latest technology particularly in terms of the efforts towards achieving a paper-less Civil Service and the implementation of electronic government as part of the development of the Multimedia Super Corridor (MSC).

The implementation of the Malaysia Incorporated Policy has been successful in establishing closer ties between the public and private sectors. Both sectors have shown themselves to be highly committed to playing their respective roles in enhancing economic growth and national competitiveness. The Malaysia Incorporated Policy will continue to be a key national policy and hence should be given due emphasis so that it is implemented more effectively.

Another important aspect that needs to be given attention is in the area of financial management. Each and every public officer who is given the powers and entrusted to manage public resources should carry out his or her responsibilities according to established rules and regulations. The Auditor-General's Report continues to point out weaknesses in financial management and accounting procedures. As such more stringent measures need to be implemented to further strengthen financial management in Government agencies.

The implementation of these administrative reform efforts should move in step with efforts to assimilate positive core values among members of the Civil Service. The assimilation of and adherence to such values will provide the foundation for the creation of a culture of excellence as well as a clean, efficient and trustworthy Civil Service. Hence, there is a need for more strategic measures to enhance the assimilation and internalisation of core positive values.

I am confident that given the commitment of top management and the determination shown by all members of the Civil Service in successfully implementing administrative reform programmes introduced thus far, the Civil Service is capable of greater achievements in the future. Finally, I wish to record my highest appreciation to Yang Berbahagia Tan Sri Dato' Seri Ahmad Sarji bin Abdul Hamid, the former Chief Secretary to the Government, for having performed admirably in leading the Civil Service to achieve a level of success that we can all be proud of. The contributions and commitment shown by Yang Berbahagia Tan Sri will undoubtedly encourage us to continue the efforts to spur the Civil Service to an even higher level of excellence.

**Datuk Abdul Halim bin Ali**
**CHIEF SECRETARY TO THE GOVERNMENT**

*27 January 1997.*

# INTRODUCTION

# INTRODUCTION

This Report on Improvements and Developments in the Civil Service is the seventh in the series since its introduction in 1990. Its publication is a continuation of the efforts to document the progress that has been achieved by the Civil Service through the implementation of administrative reforms from one year to another. I wish to thank all Government agencies for giving their fullest cooperation to MAMPU in preparing this report.

The period between 1990-1995 witnessed significant management and administrative changes in the Civil Service. Since the launching of the Excellent Work Culture Movement at the end of 1989, the Civil Service has intensified its administrative reform efforts through more concrete reform programmes. Throughout 1990, the focus was on improving quality management in Government agencies through the publication of the Guidebook on Quality Management and Enhancement and the KHIDMAT magazine as well as the introduction of a system of awards under the Prime Minister's Quality Award. Attention was also given to the implementation of the Malaysia Incorporated Policy with the establishment of a central consultative panel comprising senior Government officers and members from the private sector. At the same time, consultative mechanisms at the Ministry, state and district levels were also reactivated. In addition, efforts to establish a more efficient and effective public administration were continued.

These administrative reform efforts were intensified in 1991. A series of circulars dealing specifically with the reform efforts known as the Development Administration Circulars (DAC) was introduced. The DAC provided detailed guidelines on various aspects of management and administration which had been introduced earlier such as the Manual of Work Procedure; handling telephone communication services; counter services; management of meetings; productivity improvement; the integrated scheduling system for development projects (SIAP); Quality Control Circles(QCCs); and the implementation of the Malaysia Incorporated Policy. Circulars introducing new programmes were also issued such as the DAC relating to innovation awards and the use of Work Action Forms. In order to ensure that these guidelines were fully understood by members of the Civil Service at all levels, INTAN carried out special training programmes on these circulars. MAMPU's Inspectorate Division carried out inspections pertaining to the implementation of these circulars as well as provided the necessary consultancy services.

The year 1992 was another important year for administrative reform efforts with the implementation of the New Remuneration System (NRS). The NRS not only resulted in changes to the remuneration system but also introduced the New Performance Appraisal System, a more comprehensive appraisal system based on performance and work results. In line with this, three other important programmes were introduced namely the Total Quality Management (TQM) programme, the Micro Accounting System (SPM) and the Public Complaints Management System. In addition, the planning and preparation of development projects was streamlined through the issuance of more detailed guidelines.

In 1993, the reform efforts were intensified through more wide ranging reforms. The reforms that were undertaken had not only brought about changes in terms of structures, systems, procedures and technology but also in the mind-set of the members of the Civil Service. A key initiative that was introduced in 1993 was the implementation of the Client's Charter including

a service recovery mechanism whereby Government agencies make a commitment to provide services that satisfy the needs of the customer. Collaborative efforts with the private sector in the spirit of Malaysia Incorporated were also intensified. The consultative mechanism at the central level was streamlined with the establishment of the Malaysia Incorporated Officials' Committee which replaced the existing Sub-Committee to the Panel on Administrative Improvements to the Civil Service (PANEL). The membership of the Committee was restructured and expanded to encourage more effective cooperation between officials of the public and private sectors. In order to establish a more harmonious relationship between the two sectors, a set of guidelines on the involvement of both sectors in activities like sports, seminars and conferences was issued.

In the same year, efforts to strengthen accountability and discipline among public officers were intensified. Existing regulations relating to conduct and discipline in the Civil Service were reviewed and new regulations known as the Public Service Officers Regulations (Conduct and Discipline) 1993 and Public Service Disciplinary Board Regulations 1993 were put in place. Guidelines for establishing productivity indicators were also prepared to ensure the use of performance indicators in performance measurement. This has indirectly helped enhance accountability and transparency in the Civil Service. In the area of technology, the Electronic Data Interchange (EDI) and the Public Service Network (PSN) were introduced to improve service delivery by Government agencies.

The Civil Service began the year 1994 with the conviction and dedication to provide a more efficient and effective administrative machinery that would contribute more meaningfully towards the achievement of Vision 2020. The agenda for 1994 was to intensify efforts for more effective administration and management at all levels. One of the measures that was given emphasis was the reduction of bureaucratic red-tape through simplification of rules and regulations, particularly

those relating to the issuance of permits and licences for business and investment. Another successful effort in the year 1994 was the provision of on-line access to public domain information through the Civil Service Link (CSL). The setting up of the CSL was an indication of the responsiveness of the Civil Service to the expectations and needs of the private sector in terms of Government information and was evidence of the move towards transparency in the Civil Service. It also reflected the confidence of the Civil Service in being able to utilise the latest information technology in providing quality services to the customer.

The year 1995 saw the Civil Service multiplying its efforts to inculcate values of excellence. The implementation of reform efforts which were introduced earlier were reinforced through a number of major strategies such as the provision of customer-oriented services; increasing the use of information technology; strengthening collaboration with the private sector under the Malaysia Incorporated Policy; and strengthening organisational structures and human resource management. One of the important initiatives undertaken was to have well planned efforts to overcome the problem of backlog of work. The utilisation of information technology and automation in work processes was also intensified in order to achieve the objective of creating a paper-less Civil Service. One of the programmes that has shown encouraging success is the use of the computer accounting system software package known as the Standard Accounting System for Government Agencies (SAGA). Although only recently introduced in a number of statutory bodies, this system has proven to be effective in upgrading the efficiency of the relevant agencies in the preparation of their financial accounts. This new system has also enabled them to prepare their daily financial statements and maintain up to date records of their financial status. All of these have contributed towards enhancing accountability and transparency in Government financial management. The success of the implementation of SAGA on a pilot basis in a number agencies has given the Government the confidence to expand its implementation to other Government agencies in stages.

The progress that has been achieved by the Malaysian Civil Service, especially in the last few years has increasingly caught the attention of other countries. One evidence of this is the appointment of the Chief Secretary as the Deputy President of the Commonwealth Association for Public Administration and Management (CAPAM) in 1994 and subsequently as President in 1996. The Malaysian Civil Service was also entrusted with the task of hosting the second CAPAM Board of Directors meeting on 1 September 1995. In addition, the Malaysian Civil Service provided consultancy services to a number of countries like South Africa, Sri Lanka and Kyrgystan. The Chief Secretary and other senior Government officials have also been frequently invited to present working papers at various international seminars. The international interest in the administrative reform efforts of the Malaysian Civil Service is also evident in the increasing number of visits by foreign delegations wishing to share the experience in the realm of administrative reforms.

The reform efforts over the last six years have laid a strong foundation for the Civil Service to raise its efficiency and effectiveness to a higher level. This has motivated the Civil Service to undertake the challenge of implementing ISO 9000 at all levels of administration. The implementation of ISO 9000 requires continuous adherence to a comprehensive quality management system that is based on internationally established quality standards. Preparations for achieving this are being actively formulated. As a first step, a complete set of guidelines has been prepared under Development Administration Circular No. 2 of 1996 entitled "Guidelines For Implementing MS ISO 9000 In The Civil Service". An action plan for its implementation on a stage by stage basis covering the period until the year 2000 has been drawn up.

In meeting the challenges of the rapid advancement of state of the art information technology, the Government has agreed to the establishment of the Government Integrated Telecommunications Network (GITN). This initiative is now well underway with the launching of a pilot project on

13 July 1996. The GITN project will provide a telecommunications infrastructure that is capable of increasing efficient links between Government agencies as well as enable the use of a variety of information technology applications more effectively. In line with this, efforts towards increasing the use of information technology in Government agencies have also been stepped up. These efforts will help speed up the attainment of the objective of a paper-less Civil Service.

Undoubtedly, the 1990s period has been a challenging and meaningful era for the Civil Service. The capacity to provide a more efficient administration has had an impact on the nation's rapid and sustained economic growth. This success is the result of the untiring efforts of the members of the Civil Service at all levels as well as the support and encouragement of the leaders of the nation. This achievement is also the product of close collaboration with the private sector, non-Government organisations and the mass media.

**Dato' Dr. Muhammad Rais bin Abdul Karim**
**DIRECTOR GENERAL OF MAMPU**

*27 January 1997.*

# I

# MAJOR
# IMPROVEMENT
# PROGRAMMES IN 1996

# I

# MAJOR IMPROVEMENT
# PROGRAMMES IN 1996

Continued reform efforts throughout 1996 have brought about encouraging progress within the Civil Service. Among the major improvement programmes are the implementation of MS ISO 9000 and efforts towards the development of a paperless civil service.

## IMPLEMENTATION OF MS ISO 9000

ISO 9000 is a series of standards for a quality management and quality assurance system. In Malaysia, the standard is recognised as the MS ISO 9000 standard which is issued by SIRIM. This standard has gained widespread acceptance among the private sector. Presently, there are about 940 companies which have secured registration to the standard. The main objective for organisations in the private sector to obtain registration is to achieve competitiveness for their products in the international market. In the context of the Civil Service, the adoption of the standard will ensure the establishment of an effective quality management system. The products and services under such a system will exhibit quality features that meet the customer's requirements. As an institution responsible for the development of the country, the Civil Service should continuously strive to strengthen its administration in order to provide the best service. The Rt. Hon. Prime Minister of Malaysia, in his speech delivered at the Commonwealth Association for Public Administration and Management (CAPAM) Conference in Malta on 21 April 1996, emphasised that the quality of an

effective Government administration cannot be lower than that of its clients - specifically the private sector. Towards this end, on 1 November 1995, the Government decided that the Civil Service should implement the ISO 9000 standard.

## The Objective of Implementing MS ISO 9000

The Civil Service decided on the bold step to implement ISO 9000 with the main objective of developing an efficient and effective quality management system in order to provide the best service for the public. This objective can be achieved through the implementation of MS ISO 9000 because agencies must comply with a quality management system that emphasises prevention and not remedial action after the defects have occurred. Agencies are required to carry out continuous review of the critical processes and take corrective action. The implementation of MS ISO 9000 will ensure the development of work methods which are of consistent quality based on the principle of "right first time and every time" through documented policies and procedures. Another important principle is the emphasis on the maintenance of quality records which provide objective evidence that necessary actions have been implemented. The quality system that is developed based on these principles will inevitably lead to competent decision making; effective control of the organisation's suppliers; control on the cost of quality for work that is repetitive and of poor quality; increase in productivity; and reduction in wastage and rework. In summary, Government agencies which have successfully implemented MS ISO 9000 will have streamlined processes, are sensitive to the needs of their customers, proactive and more efficient.

## MS ISO 9000 Concept

MS ISO 9000 is a written set of standards which describe and define the basic elements of the quality system for an organisation. These elements encompass organisational structure, responsibilities, procedures, processes and resources for implementing quality management. A quality system based on the MS ISO 9000 standard will ensure that an organisation's products and/or services continuously meet the needs of the customer.

The ISO 9000 standard, which is based on the quality assurance concept, focuses on the process that results in the product and not on the end product itself. By focusing on the process, this will ensure that only products and services which meet the customer's requirements are produced or delivered. It can also ensure that any weaknesses in the process that result in products and services that do not meet specifications are avoided. To achieve the goal of quality assurance, the needs of the customer must be understood and the process to fulfil these needs must be planned and controlled. The control of the process will be carried out at the input and process stage. The output will be verified so as to ascertain that it meets the stipulated specifications. The implementation of the process is based on documented policies and procedures. *Figure 1* explains the quality assurance concept which is achieved by implementing MS ISO 9000.



FIGURE 1

## THE ISO 9000 CONCEPT

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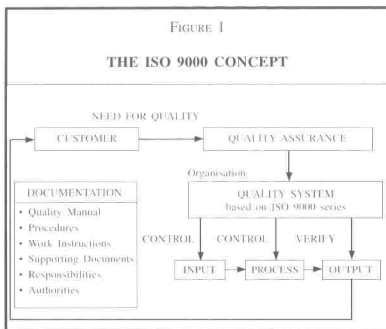
## MS ISO 9000 and TQM

In an organisation which has implemented Total Quality Management (TQM), the adoption of MS ISO 9000 will further complement and supplement such efforts. TQM is an overall quality management system that emphasises senior management support, strategic quality planning, customer orientation, training and recognition, quality assurance, performance measurement and team work. MS ISO 9000 focuses on process management to ensure quality assurance. Both process and human resource aspects will need to be addressed in order for an organisation to function efficiently and effectively. TQM integrates both these aspects to develop a total quality culture.

The ISO 9000 elements are linked very closely to the TQM principles. As an example, senior management support and strategic quality planning are emphasised under Management Responsibility (Element 4.1) in the MS ISO 9001 standard. The customer focus concept is stressed upon under Contract Review (Element 4.3). Performance measurement is touched upon under Management Responsibility (Element 4.1), particularly in the setting of quality objectives. *Figure 2* shows clearly the relationship between MS ISO 9000 and TQM.

## MS ISO 9000 Series

The ISO 9000 series is a set of five individual but related standards. Two of the standards, namely ISO 9000 and ISO 9004 are guidelines. The three remaining standards, namely MS ISO 9001 (*Quality System - Model for Quality Assurance in Design, Development, Production, Installation and Servicing*), ISO 9002 (*Quality System - Model for Quality Assurance in Production, Installation and Servicing*) and ISO 9003 (*Quality System - Model for Quality Assurance in Final Inspection and Test*) are quality system models for quality assurance. ISO 9000 (*Quality Management and Quality Assurance Standards*

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FIGURE 2

## THE RELATIONSHIP BETWEEN MS ISO 9000 AND TQM

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                  ┌─────────────────────┐
                  │  TOP MANAGEMENT      │
                  │  SUPPORT             │
                  ├─────────────────────┤
                  │  STRATEGIC QUALITY   │
                  │  PLANNING            │
        ┌─────┐   ├─────────────────────┤   ┌──────┐
        │ TQM │   │  CUSTOMER FOCUS      │   │ ISO  │
        └─────┘   ├─────────────────────┤   │ 9000 │
                  │  PROVIDING TRAINING  │   └──────┘
                  │  AND RECOGNITION     │
                  ├─────────────────────┤
                  │  QUALITY ASSURANCE   │
                  ├─────────────────────┤
                  │  PERFORMANCE         │
                  │  MEASUREMENT         │
                  ├─────────────────────┤
                  │  ENHANCING TEAMWORK  │
                  └─────────────────────┘
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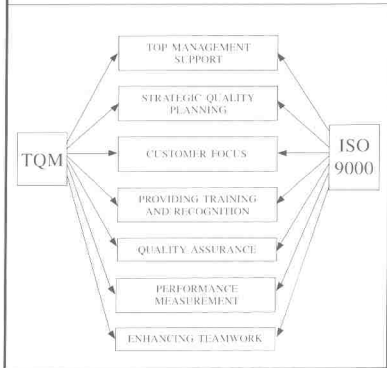
- *Guidelines for Selection and Use*) provides guidelines for users in selecting and implementing the above quality assurance standard, that is MS ISO 9001, MS ISO 9002 and MS ISO 9003. MS ISO 9004 (*Quality Management and Quality System Elements - Guidelines*) provides guidelines to an organisation for developing a quality system.

These quality assurance models are used to develop and evaluate quality systems. Organisations can choose any one of these models based on their functions and activities. MS ISO 9001 is the most comprehensive model and suitable for

implementation by agencies where its functions and activities include design, production, installation and servicing. The MS ISO 9002 model is similar to the MS ISO 9001 model except that it does not include the design activity. It is suitable for implementation by agencies which are not involved in design work or activity. MS ISO 9003 is only suitable for organisations that are involved in carrying out inspection and final testing.

## MS ISO 9000 Elements

The MS ISO 9000 standard specifies the basic elements which are required for a quality management system. These elements are listed in the standard MS ISO 9001, MS ISO 9002 and MS ISO 9003 as shown in *Table 1*.

As can be seen from *Table 1*, MS ISO 9001 is the most complete model which covers all the 20 elements. MS ISO 9002 does not include Design Control and comprises 19 elements. MS ISO 9003 consists of only 16 elements and does not include the elements Design Control, Purchasing, Process Control and Servicing.

### Element 1 – Management Responsibility

This element delineates the role that is expected to be played by top management. Top management is required to direct and guide the organisation towards the achievement of the desired quality as stated in the quality policy. Top management is also responsible to formulate the quality policy and quality objectives. The quality policy and quality objectives must be clear and understood by everyone in the organisation. The lines of responsibility need to be drawn, and everyone who is directly or indirectly involved with quality, needs to be informed in writing on their respective areas of duty, responsibility and authority. To coordinate and administer the quality system effectively, top management is required to appoint a senior officer with specific authority. This management representative is directly responsible to top management.

## TABLE 1

# ELEMENTS IN THE MS ISO 9001, MS ISO 9002 AND MS ISO 9003 SERIES OF STANDARDS

| No. | Element | Elements Covered In The Series Of Standards | | |
|---|---|---|---|---|
| | | MS ISO 9001 | MS ISO 9002 | MS ISO 9003 |
| 1. | Management Responsibility | ✔ | ✔ | ✔ |
| 2. | Quality System | ✔ | ✔ | ✔ |
| 3. | Contract Review | ✔ | ✔ | ✔ |
| 4. | Design Control | ✔ | - | - |
| 5. | Document and Data Control | ✔ | ✔ | ✔ |
| 6. | Purchasing | ✔ | ✔ | - |
| 7. | Control of Customer Supplied Product | ✔ | ✔ | ✔ |
| 8. | Product Identification and Traceability | ✔ | ✔ | ✔ |
| 9. | Process Control | ✔ | ✔ | - |
| 10. | Inspection and Testing | ✔ | ✔ | ✔ |
| 11. | Control of Inspection, Measuring and Test Equipment | ✔ | ✔ | ✔ |
| 12. | Inspection and Test Status | ✔ | ✔ | ✔ |
| 13. | Control of Nonconforming Product | ✔ | ✔ | ✔ |
| 14. | Corrective and Preventive Action | ✔ | ✔ | ✔ |
| 15. | Handing, Storage, Packaging, Preservation and Delivery | ✔ | ✔ | ✔ |
| 16. | Control of Quality Records | ✔ | ✔ | ✔ |
| 17. | Internal Quality Audits | ✔ | ✔ | ✔ |
| 18. | Training | ✔ | ✔ | ✔ |
| 19. | Servicing | ✔ | ✔ | - |
| 20. | Statistical Techniques | ✔ | ✔ | ✔ |

## *Element 2 – Quality System*

This element requires organisations to establish, document and maintain a quality system. The purpose of a quality system is to ensure that products and services produced by organisations meet customer requirements and are of consistent quality. In order to develop this quality system, organisations need to determine and document the necessary processes that will produce products and services that can meet customer requirements. Organisations also need to determine the appropriate organisation structure and resources for effective management of these processes. An important feature of this element is the preparation of the Quality Manual, Manual of Work Procedures and Work Instructions.

## *Element 3 – Contract Review*

This element requires an organisation to establish a system whereby customer requirements for a product or service are adequately defined and documented. These requirements must be reviewed to ensure that the organisation has the capability to meet them. This review is also to ensure that any differences in requirements are taken into account. A contract, whether verbal or written, can only be entered into once the customer and the organisation have a common understanding of the product or service to be produced. Any changes to a contract should be checked to ensure that both parties have a common understanding of the changes.

## *Element 4 – Design Control*

Design control is a method of keeping control over the design process to ensure that the design created is able to meet its specified requirements. Design includes drawings, outlines or plans that will be used to produce an output. In design control, organisations are required to have control over the entire design process for a product or service. Each design activity must be planned in terms of what has to be carried out and who is to carry it out. Subsequently, steps must be taken to identify the

quality features and characteristics for a product or service upon which a design will be produced; confirm at appropriate stages in the design process, whether the design results meet design requirements; test the product or service to see if it works and is able to meet customer needs; and finally control and document all changes and modifications to the design of a product or service.

## Element 5 – Document and Data Control

This element requires the organisation to establish procedures for controlling all documents and data that are involved in the quality system. This control procedure covers the methods for preparing, checking, approving, amending, distributing and indexing all documents and data in the organisation to produce its outputs. Documents and data can be retained manually, in paper-based form or in the electronic medium. Documents that are no longer in use should not be retained.

## Element 6 – Purchasing

Purchasing means the method of procuring products or services that are required by an organisation to produce its outputs. This element requires organisations to develop and maintain procedures for ensuring that products or services supplied are according to specifications. These specifications should be documented and clearly stated in accordance with the needs of the organisation. Organisations shall evaluate subcontractors to evaluate their past performance and capability in meeting specifications. Organisations shall also specify the type and level of control over subcontractors by maintaining a list of approved subcontractors who can supply products and services that are required. The performance of these subcontractors should be regularly monitored to ensure their continuing capabilities. Purchasing records which contain clear data should be maintained.

## *Element 7 – Control of Customer Supplied Product*

The purpose of this element is for an organisation to ensure that the customer supplied product is well-taken care of. This element requires an organisation to define how customer supplied products shall be handled when they are received, as well as how it will address lost, damaged, or nonconforming products. If a product is lost, damaged or unsuitable for its intended purpose, this condition must be recorded and reported to the customer.

## *Element 8 – Product Identification and Traceability*

The purpose of this element is to provide identification of products so as to facilitate traceability when there is a product recall arising from a nonconformity or customer complaints. This element requires organisations to establish an efficient system for identification and traceability to enable products to be identified and traced easily.

## *Element 9 – Process Control*

The purpose of process control is to ensure that all processes which directly affect quality are identified, planned and carried out according to documented procedures. This is important because when steps taken are in accordance with specified procedures and regulations, the overall process will result in services that are able to fulfill specified requirements. Control here includes documentation in the form of procedures, work instructions, work flow charts, and checklists; use of suitable equipment and the creation of a good work environment; developing clear criteria in the form of representative samples; written standards or other kinds of illustrations supplied to personnel performing the work; identification and control of process and carrying out corrective action if deviations occur from the original specifications; and having a suitable maintenance programme to ensure continuing process capability.

## *Element 10 – Inspection and Testing*

This element requires the organisation to develop and document procedures for inspection and testing. This is to ensure that

the incoming inputs fulfil the standards that have been specified before they can be used or processed. Verification can start with inspection at the stage of receipt until the final output stage. In actual fact, inspection and testing must be carried out at three stages during the production process namely receiving, in process and final inspection and testing.

## Element 11 – Control of Inspection, Measuring and Test Equipment

This element requires the organisation to prepare and document procedures to control, calibrate and maintain equipment used for inspection, measurement and product testing. The element focuses on the need for calibration of equipment that affects quality. The process of calibration has to be carried out periodically to ensure that it is capable of meeting the precision requirements. It is therefore the responsibility of the organisation to ensure that inspection, measuring and test equipment are calibrated according to prescribed time intervals.

## Element 12 – Inspection and Test Status

This element requires the organisation to develop a simple method of identifying the status of inspection and testing. This allows everyone involved with a product to know, at every stage in the production process, whether the product has been tested and whether the product is accepted or rejected. If the product has not been tested, the production process must be put on hold. If the product has been inspected and rejected, it should be identified and should be separated from the accepted products. This will help prevent the inadvertent use of rejected products. Only products that have passed the proper tests and inspections and are identified as such should be used.

## Element 13 – Control of Nonconforming Product

The organisation should establish a system for preventing nonconforming products or services from reaching the customers or being used for further processing. To implement this, procedures for identification, documentation, evaluation, segregation and disposition of the nonconforming products shall be established and documented.

## *Element 14 – Corrective and Preventive Action*

Corrective action refers to steps taken to investigate the causes of nonconforming products or services and implementing appropriate action to reduce these occurrences. Preventive action, on the other hand, involves the action taken to prevent the occurrence of a problem or to reduce or eliminate the effects of the problem if it occurs. This action is proactive and it focuses on processes and not on the specific product. These actions must be documented.

## *Element 15 – Handling, Storage, Packaging, Preservation and Delivery*

This element is to ensure that products used in production or in service delivery processes are always in good condition and in a safe state. Its purpose is to avoid damage, loss and deterioration of products as a result of improper handling, unsuitable storage places and inadequate packaging and preservation. This element requires the organisation to establish and maintain documented procedures for handling, storage, packaging, preservation and delivery of products. By complying with this element, the organisation can ensure that the integrity of the product is maintained at all levels of production or service delivery.

## *Element 16 – Control of Quality Records*

The purpose of this element is to ensure that quality records are maintained as evidence that a quality system is functioning. Management of quality records is needed to ensure that specific requirements are fulfilled and to verify the effective operation of the quality system. The organisation has to determine the types of quality records which need to be maintained in relation to the functions carried out. Other aspects to be considered are how long each type of record needs to be kept, where it will be kept and how it is to be disposed of. The organisation is also required to identify and document the authority responsible for the management of quality records.

## Element 17 – Internal Quality Audit

The purpose of this element is to assist management in an organisation determine if the implemented quality system is effective in achieving stated quality objectives. Internal quality audits are carried out by examining information from a variety of different sources and cross-checking them. The results of the audits have to be documented and submitted to management having responsibility in the area that is being audited. Management is required to take timely corrective action on the weaknesses found by the audits and implement the recommendations stated in the audit team's report. If the previous audit has proposed that certain necessary steps be taken, the current audit must verify the effectiveness of the implementation of the steps proposed by the previous audit.

## Element 18 – Training

This element requires management in organisations to establish and document procedures for identifying training needs. Based on the training needs identified, training must be given to all personnel who carry out activities that affect quality. Therefore management must have job descriptions that include a description of the level of training and skills required for each job. Records demonstrating that the employees who carry out these tasks either have the necessary training and skills required or are obtaining such training must be kept.

## Element 19 – Servicing

Servicing constitutes the actions taken by organisations as a supplier after the delivery of the product or service to the customer. This element requires organisations to provide assistance, advice and additional services to address the problems that may arise or to ensure that the quality of the service is maintained after the delivery of services to customers.

## Element 20 – Statistical Techniques

Statistical techniques refer to the quantitative techniques used to gain a better understanding of customer needs; to control processes, and to carry out capability studies and forecasting.

These techniques may include statistical process control, process capability studies, design of experiments, statistical sampling and so forth. The purpose of these statistical techniques is to ensure that scientific approaches are used in quality improvement and control.

Government agencies should not face any problems in adhering to the above elements. Improvement efforts that have been implemented since a few years ago will provide a strong foundation for the implementation of MS ISO 9000. Through the implementation of Total Quality Management (TQM) for example, emphasis has been given to fulfilling the requirements of customers and to the role to be played by management. Various efforts have also been undertaken to improve systems and procedures, enhance human resource development and documentation of procedures and processes. What is required now is the commitment and earnestness to review existing quality management systems and modify them in accordance with the requirements of the elements.

## Auditing in MS ISO 9000

Quality in the context of MS ISO 9000 is a systematic and independent examination to determine whether quality activities and related results comply with planned arrangements and whether these arrangements are implemented effectively and are suitable to achieve objectives. The purpose of quality audits is to evaluate quality systems and provide information to management on whether the existing quality system meets the requirements of MS ISO 9000.

To ensure that Government agencies fully implement the MS ISO 9000 standard, quality audits will be carried out from time to time on these agencies. There are three types of quality audits as follows:

(a) Internal Quality Audit;

(b) Second Party Audit; and

(c) Third party Audit.

Internal Quality Audits should be carried out at least six months after the quality system has been implemented. The purpose of the audit is to assess the effectiveness of the quality management system in that particular agency and to report to top management any nonconformances as well as the corrective action to be taken. This audit is carried out by each ministry for agencies under their jurisdiction.

Second party audits are compliance audits for ensuring compliance to the MS ISO 9000 standard. This audit will be carried out by MAMPU. Agencies that fulfil the requirements of the MS ISO 9000 standard will be awarded the 'Malaysian Civil Service MS ISO 9000 Certificate'. In addition, the outcome of the audit report will serve as an important criterion for evaluating the performance of the agency as a whole.

Third party audits are for registration purposes. Certain agencies, such as those that have international linkages can apply for this audit to be carried out.

## Strategy and Implementation Plan

The strategy and plan for implementing MS ISO 9000 can be divided into four categories as follows:

    *(a)* promotion of MS ISO 9000;

    *(b)* training for Government agencies;

    *(c)* developing and upgrading skills in consultancy and auditing;

    *(d)* implementation in Government agencies.

### Promotion of MS ISO 9000

At the promotion stage, emphasis will be on understanding the concept of MS ISO 9000 as well as to increase awareness among civil servants on the importance of implementing MS ISO 9000 in the Civil Service.

The first step taken was the preparation of comprehensive guidelines embodied in Development Administration Circular No. 2 of 1996 entitled "Guidelines For Implementing MS ISO 9000 in the Civil Service". This guideline was launched by the Chief Secretary to the Government on 11 July 1996. In conjunction with the ceremony an exhibition to provide information on MS ISO 9000 was held. This circular has been distributed to all Government agencies and is also available on the Civil Service Link (CSL) for easy reference by user agencies. MAMPU has also published a newsletter entitled 'Forum MS ISO 9000'. This tri-monthly newsletter, among others, reports the latest developments relating to MS ISO 9000.

## Training for Government Agencies

The second stage is devoted to training. MAMPU and INTAN have been assigned the training task. The target groups to be trained are top management and officers at the middle management level who will be directly involved in implementing MS ISO 9000. Three types of training packages have been planned, that is awareness training, skills training and internal quality audit training.

Awareness training is aimed at providing exposure and understanding to top and middle management on the MS ISO 9000 standard and to provide them with guidance on how to prepare detailed implementation plans. Each training session is for a duration of one day. This training programme was completed in 1996.

Skills training, on the other hand, is meant specifically for core groups who have been assigned the responsibility of implementing MS ISO 9000 in their respective agencies. Emphasis is on equipping these groups with the required skills and knowledge particularly in documentation which is an important requirement of MS ISO 9000. A special training package has been developed for this purpose. Skills training sessions are also held for officers from other training institutions to enable them to conduct training for their own target groups. The skills training sessions will commence in early 1997 and each session will last for a duration of five days.

Training in internal quality audit will be conducted specifically for officers who are responsible for conducting internal quality audits in their respective agencies. Each training session will last three days.

## *Creating and Enhancing Skills in the Field of Consultancy and Auditing*

In the implementation of the MS ISO 9000 standard in the Civil Service, MAMPU has been given the responsibility of providing consultancy services to Government agencies as well carrying out second party audits. To ensure that this responsibility is carried out effectively, MAMPU officers who are responsible for these tasks have been provided with adequate training in the related fields. An ISO 9000 unit has been set up for this purpose.

## *Implementation in Government Agencies*

Implementation of MS ISO 9000 in the Civil Service will be carried out in two phases. In the first phase, all Government agencies are required to identify at least one core process in their respective agencies for the implementation of MS ISO 9000. The knowledge and experience gained from this implementation stage will serve as an important basis for the second phase of implementation in all the agencies before the end of the year 2000.

To implement MS ISO 9000, agencies can obtain consultancy services from MAMPU or from private consultants. However, agencies wishing to engage private consultants are required to obtain approval from the 'Committee on the Selection and Appointment of Consultants' chaired by the Director General of MAMPU.

The implementation of MS ISO 9000 in Government agencies is an effort that will place the Civil Service at a level comparable to excellent organisations that have received international

recognition. The readiness of the Civil Service to carry out this change is proof of its confidence in the management and administration of all agencies. The success of this effort depends very much on the commitment of top management and the sincerity of officers and staff in Government agencies to diligently and consistently adhere to every element in the MS ISO 9000 standard. All agencies should take advantage of the foundation that has been laid as a result of the various improvement efforts to fully strengthen their respective quality management systems.

## EFFORTS TOWARDS ESTABLISHING A PAPER-LESS CIVIL SERVICE

The Civil Service is aware that it needs to take full advantage of developments in the technological field to enhance the efficiency and management of its administration. Hence it has pursued efforts towards a paper-less civil service. The objective here is to enable the Civil Service to provide the best service to its customers. The focus continued to be on the use of information technology and office automation programmes which while reducing the use of paper also helps increase productivity and save time.

Government operations continue to involve considerable paper usage in terms of correspondence, report preparation and forms. In addition to rising operational costs, the conventional paper-based processes are inefficient and time-consuming and have adverse effects on service delivery. The public often complains about delays in the processing of applications and the requirement for the use of forms and too many accompanying documents in the application procedure. The use of paper in the preparation of records and documents also poses problems in terms of storage, reference and access to information. These weaknesses can be overcome if the concerted efforts to change the paper-based work systems in the public sector into an electronic one are successful and receive wide acceptance.

## Implementation Strategy

A number of steps have been taken to ensure that the objective of a paper-less civil service is achieved in a planned and comprehensive fashion. The first step is the establishment of a Steering Committee in MAMPU to plan and coordinate programmes facilitating efforts towards a paper-less civil service. The Steering Committee is supported by a Task Force which will prepare operational plans and oversee implementation schedules. A number of coordinated measures have been undertaken as a result of the work of these two Committees as follows:

(a) conducting dialogues with chambers of commerce and industry to solicit feedback on appropriate ways to simplify systems and procedures in reducing the use of paper-based documents and forms. The focus here is on identifying areas in the licensing and permits system where paper usage can be reduced;

(b) collecting and studying information on efforts being undertaken by the public sector in other countries in the area of paper usage;

(c) collecting information on appropriate technologies that can be utilised by Government agencies to support their own processes and procedures;

(d) ensuring that in the process of moving in the direction of a paper-less civil service, Government agencies do not overlook the interests of their customers;

(e) encouraging and facilitating ministries to re-engineer their core business processes that will enable reduced paper usage;

(f) documenting efforts of Government agencies that have been successful in reducing the use of paper so that this can be emulated by other agencies.

## Implementation Methods

Government agencies have adopted a variety of methods in moving towards a paper-less civil service. Among the methods employed are:

(a) the use of the Electronic Data Interchange (EDI) as implemented in the Royal Customs and Excise Department, MITI, Ministry of Health, SOCSO and the Road Transport Department;

(b) setting up public domain databases as implemented in MAMPU, SIRIM, MIMOS, Ministry of Science, Technology and Environment, Ministry of Primary Industries, Language and Literary Agency (DBP), INTAN, the Road Transport Department, the Prime Minister's Department and the Public Service Department;

(c) using e-mail systems as implemented in the Pilgrimage Fund Board, MIMOS, the Meteorological Service Department, the Department of Environment, the Prime Minister's Department, FELCRA, FELDA and SIRIM;

(d) using imaging technology as implemented in DBP, SOCSO, the Valuation and Property Services Department, the Ministry of Health and the Road Transport Department.

These methods have been found to be effective and contributed towards improving the efficiency and effectiveness of the operations of the relevant agencies as can be seen from the following examples:

(a) public domain databases enable information to be accessed and retrieved instantly, whenever needed and wherever the location of the user. On-line updating of data at branch offices of agencies can be undertaken easily and reliably;

(*b*) local area network (LAN) systems enable multiple-user modes and simultaneous communication among users through computer terminals. This reduces duplication of information and minimises storage needs;

(*c*) e-mail systems allow for reduced paper utilisation. Letters, memos and other internal reports can be channelled on-line to relevant parties without the need for paper. Information can be stored in diskettes and CD-ROMs, facilitating access, reference and review of documents;

(*d*) electronic scanning enables the transfer of paper-based documents into the electronic medium easily and speedily without the need for actual keying-in of data; and

(*e*) storage space requirements for records, documents and information can be reduced and consequently savings in terms of maintenance and storage costs can also be realised. For example, an optical disc measuring 5" x 5" can accommodate 400,000 pages of A4 sized documents.

## Efforts Towards a Paper-less Environment in Government Agencies

Government agencies have embarked on various projects directed towards reducing the use of paper. Many of these projects are stand-alones. These projects have helped make the relevant work processes more efficient. *Table 2* identifies some of the projects undertaken by 15 selected agencies.

## TABLE 2

## PROJECTS TO REDUCE THE USE OF PAPER

| Ministries/Department | Projects |
|---|---|
| 1. ELECTIONS COMMISSION (SPR) | • Printing of voters list<br>• Inter-agency information exchange |
| 2. PRIME MINISTER'S DEPARTMENT | |
| (a) Chief Executive Information and Management System (SMPKE) | • Office automation<br>  – E-Mail<br>  – E-Dairy and Scheduler<br>• Management System<br>• CD-ROM<br>• Document Management System |
| (b) Implementation and Coordination Unit (ICU) | • Distributed Networking (SETIA)<br>Office Automation (LAN) |
| (c) National Institute of Public Administration (INTAN), Public Service Department | • Training Information System (SML)<br>• E-Mail |
| (d) Pensions Division, Public Service Department | • Simplifying pension processes for employees in statutory bodies and local governments<br>• Implementation of the system for payment of pensions through banks (SPB)<br>• Preparation of payment vouchers by batching<br>• Reduction in forms for pension processing<br>• Simplifying pension process and procedures through office automation<br>• Preparation of deduction notices to the Pension Division, Public Service Department |
| (e) The Pilgrimage Fund Board | • Imaging system for checking of personal and nomination forms<br>• Electronic transactions between Makkah-Kuala Lumpur<br>• Preparation of ID card Indices for off-line branches<br>• Printing of depositors' statements<br>• Laser Printing of circulars and circular letters<br>• Utilisation of note-book computers in the Holy Land |

| Ministries/Department | Projects |
|---|---|
| (f) Statistics Department | • Designing of economic survey forms<br>• Collection of data-Monthly Economic survey<br>• Central Registry System (SISDAP)<br>• Geographical Information System (GIS)<br>• Census Table Retrieval System<br>• 1991 Census Frequency Count<br>• Database - Redatam/Quicktab<br>• 1991 Census Processing (Automatic Coding) |
| 3. MINISTRY OF HOME AFFAIRS | |
| (a) Royal Malaysian Police | • Police Reporting System |
| (b) National Registration Department | • Review of KPT forms |
| 4. MINISTRY OF RURAL DEVELOPMENT | |
| (a) FELCRA | • LAN and WAN<br>• Database Systems |
| 5. MINISTRY OF TRANSPORT | |
| (a) Road Transport Department (RTD) | • Renewal of road tax<br>• Copies of motor vehicle licences<br>• Renewal of driving licences<br>• Imaging of vehicle records<br>• PC Fax and Office Automation<br>• E-Mail<br>• Networking between RTD and the Royal Malaysian Police Department<br>• On-line updating of commercial vehicle records<br>• On-line communication of circulars<br>• On-line transactions<br>• Vehicle registration through EDI<br>• Confirmation of ownership and cancellation of ownership through financial institutions |

| Ministries/Department | Projects |
|---|---|
| (b) Port Klang Authority | • Port Klang Community System (PKCS) |
| 6. MINISTRY OF PRIMARY INDUSTRIES | |
| (a) Forestry Department | • Forestry Revenue and Information System<br>• Forestry Industrial and Human Resource Information System<br>• GIS |
| (b) Geological Survey Department | • Departmental Information System |
| (c) Cocoa Board | • EDI<br>• Software Full Text Retrieval System |
| (d) PORIM | • E-Mail<br>• JARING<br>• Hand-held computer<br>  Library On-line Information System (LOIS)<br>• Human Resource Management System (SPSM)<br>• Payroll System<br>• Integrated Accounting Package (INTEGRA)<br>• Conference Management System (CMS)<br>• IPMS<br>• Presentation software<br>• Microchips, Microfilm, Optical Disk, CD-ROM<br>• PALMOILIS Database |
| 7. MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY | • Textile-EDI System<br>• Electronic Visa Information System (ELVIS)<br>• E-Mail |
| 8. MINISTRY OF EDUCATION | |
| (a) Literary and Language Agency (DBP) | • Computerisation of the Centre for Malay Documentation<br>• E-Publishing system<br>• Office Automation<br>• DBP Strategic Computerisation Plan<br>• CD-ROM Publishing |
| (b) Technology University of Malaysia (UTM) | • Office automation-Computer Science Faculty<br>• Office automation-Registrar's Office |

| Ministries/Department | Projects |
|---|---|
| (c) Agriculture University of Malaysia (UPM) | • Document Management Centre-Registrar's Office<br>• Paper-less Computer Centre |
| (d) National Library | • Catalogue System<br>• Procurement System<br>• Readers Cards<br>• Children's Hypermedia Centre<br>• Indices of Malaysian Magazines, Newspapers and Conferences on CD-ROM<br>• On-line Publishing Supply System (SPP)<br>• E-Mail<br>• Personnel Database |
| 9. MINISTRY OF AGRICULTURE | • Licence Application System for:<br>  – Rice Retailing<br>  – Rice Wholesaling<br>  – Purchase of Paddy<br>  – Rice Mills<br>  – Rice Importing<br>  – Rice Exporting |
| (a) Drainage and Irrigation Department | • Micro Accounting System<br>• Hydrology Data Processing System<br>• Hydrology Information System<br>• E-Mail<br>• Central Information System |
| (b) Malaysian Agricultural Research and Development Institute (MARDI) | • E-Mail Research<br>• Research Archiving System |
| (c) Farmers' Organisation Authority | • E-Mail and Networking to State branches<br>• Paper-less Meeting System |
| 10. MINISTRY OF FINANCE | |
| (a) Department of Valuation and Property Services | • Landed Properties Information System (LAPIS)<br>• Integrated Property Sales and Purchase System (SIB) |
| (b) Royal Customs and Excise Department | • Customs Information System (SMK)-Dagang*Net Interface Project* |

| Ministries/Department | Projects |
|---|---|
| (c) Inland Revenue Board | • Electronic salary deductions through tapes/diskettes/EDI |
| 11. MINISTRY OF HEALTH | • Pharmaceutical Control and Licencing System<br>• Pharmaceutical Purchasing System through EDI<br>• Paper-less Hospital pilot project |
| 12. MINISTRY OF CULTURE, ARTS AND TOURISM | |
| (a) Tourism Promotion Board | • Office automation<br>• Notice boards<br>• Meetings for information dissemination<br>• Double-sided paper usage<br>• Computerised accounting transactions |
| 13. MINISTRY OF HUMAN RESOURCES | |
| (a) SOCSO | • Imaging System<br>• EDI |
| 14. MINISTRY OF SCIENCE TECHNOLOGY AND ENVIRONMENT | • Computer networks<br>• Recycling of paper for draft purpose<br>• The Malaysian Science and Technology Information Centre (MASTIC) |
| (a) Meteorological Service Department | • Telecomputer Meteorological Services<br>• Climates Archiving and Research System |
| (b) Standards and Industrial Research Institute of Malaysia (SIRIM) | • SIRIM Integrated Accounting System (SIAS)<br>• Time Management System SIRIM (SPMS)<br>• *Rapid Prototyping*<br>• E-Mail<br>• Office automation |
| (c) Malaysian Institute of Microelectronics System (MIMOS) | • Management Information System<br>• JARING<br>• Computer Integrated Learning System (COMIL)<br>• Secure Network |

| Ministries/Department | Projects |
|---|---|
| 15. MINISTRY OF LAND AND COOPERATIVE DEVELOPMENT | • Cadastral Survey and Mapping System<br>• Computerised preparation of Certified Plans and Cadastral maps<br>• Land Registration System<br>• Personnel Database System |

Government agencies have initiated various measures to improve their systems and work procedures in the effort to reduce paper usage. One significant initiative that has been well received is the use of composite forms and licences. The Royal Customs and Excise Department, for example, has reviewed all forms under the applications process to transfer goods from a licensed premise or warehouse. Four different forms were merged into one composite form. The Department also took action to streamline the format for 16 licences issued under the Customs Act 1967, the Excise Act 1976, the Sales Tax Act 1972 and the Service Tax Act 1975 and issue them as one composite licence known as JKED No. 3. These efforts not only ensure a more convenient application procedure for the public, but also helps reduce costs for printing and purchase of paper.

*Electronic Government*

Efforts towards a paper-less civil service will remain the main agenda for the Civil Service in its endeavour to improve efficiency and minimise paper usage in its every day transactions. These efforts will form the basis for the creation of electronic government.

Electronic government is one of the flagships that will be developed under the Multimedia Super Corridor (MSC), launched by the Rt. Hon. Prime Minister on 1 August 1996. The main objective of electronic government is to increase the productivity and efficiency of the public sector in providing service to the public through the use of latest information technology. MAMPU is the lead agency charged with implementing electronic government.

A structure for managing the electronic government project has been set up. The structure is made up of the Electronic Government Implementation Task Force (PPPEG); the Electronic Government Development Coordination Team and the Technical Team. PPEG is headed by the Chief Secretary to the Government and is made up of relevant public and private sector representatives. PPPEG reports on the progress of the implementation of the project to the MSC Implementation Council, chaired by the Rt. Hon Prime Minister. The Electronic Government Development Coordination Team on the other hand is headed by the Director General of MAMPU. This team is given the responsibility to ensure that the necessary inputs for the success of the project are available on time and that its development is consistent with current technological and administrative developments. The Technical Team will oversee the technical aspects of the project and is headed by the Deputy Director General (Information Technology) of MAMPU.

Electronic government will encompass multi-dimensional communications, that is, the intra government, citizen-to-government and business-to-government dimensions.

The applications under electronic government will first be implemented at the new Office of the Prime Minister at Putrajaya. Among the applications that are being developed are the intra ministry and intranet between ministries; video conferencing; multimedia mobile office; archiving, filing and digitally-shared date systems; and digital signatures.

The public-Government dealings under electronic government will involve the use of multipurpose cards that provide facilities to obtain a variety of government services. The services include registration of births and marriages; driving licences; and the payment of taxes and pensions. The public can also obtain on-line Government information from public domain databases. More one-stop service centre facilities will also be made available for the convenience of the public.

The dealings between the business community and the Government will encompass services requiring approvals of applicationss through the EDI and on-line corporate services such as business registration, licensing and corporate tax matters; on-line Government information retrieval services; patent, copyright and trademark registration services; and video conferencing facilities between the Prime Minister and Managing Directors from the private sector.

The implementation of electronic government is planned over four phases. The first phase covers the period until the middle of the year 2000. The major programme under this phase is the upgrading of the Office of the Prime Minister using the latest information technology and management processes. This project has to be completed by September 1998 and will be expanded to cover the ministries by the middle of the year 2000. At that time it is expected that both inter and intra agency communications will be implemented fully. In the third phase, that is from the middle of the year 2000 up to 2005, the focus will be on expanding and developing all applications at the ministry level. The fourth phase will cover the 2005-2008 period when the public at large and the private sector will be able to obtain a variety of services through the electronic network.

One important action that is being undertaken is the electronic government pilot project or testbed. A total of eight agencies are taking part in this pilot project. They include the Office of the Prime Minister; the Office of the Chief Secretary to the Government; MAMPU; the Public Service Department; INTAN; the Multimedia Development Corporation (MDC); Telekom Malaysia Berhad (TMB); and GITN Sdn Bhd. The pilot project is implemented in two phases. The first phase involves design work and the development of common user applications such as e-mail, electronic facsimile, bulletin boards and directory services. This phase has already begun and is being extended to all participants of the pilot project in stages. The second phase involves applications such as access to CSL information, information kiosks, video conferencing; Government

procurements and tenders; and document handling. This phase is estimated to be completed by the end of March 1997. The Technical Team has prepared the standards for document delivery, network routing, video conferencing, smartcard/multipurpose card for implementation during the pilot project stage. The issue of security has also been given consideration in determining the standards. In order to encourage the participation of the private sector, the Technical Team is working towards early issuance of RFPs and RFIs as well as providing wide publicity on the project.

*The Rt. Hon. Dato Seri Dr. Mahathir bin Mohamad, Prime Minister presenting the Official Letter of Appointment as Chief Secretary to the Government to Datuk Abdul Halim bin Ali at his office on 15 September 1996. Datuk Abdul Halim replaced Tan Sri Dato' Seri Ahmad Sarji bin Abdul Hamid as Chief Secretary to the Government*

*Tan Sri Dato' Seri Ahmad Sarji bin Abdul Hamid, Chief Secretary to the Government handing over the Chief Secretary's Desk File to Datuk Abdul Halim bin Ali, the new Chief Secretary at a function on 28 September 1996*

*The Rt. Hon. Dato' Seri Anwar bin Ibrahim, Deputy Prime Minister presenting a mock cheque for RM30,000 to Dato' Ahmad Razali bin Mohd. Ali, Chairman of the Pilgrimage Fund Board, which was awarded the 1995 Prime Minister's Quality Award (Public Sector) at the Putra World Trade Centre, Kuala Lumpur on 15 January 1996*

*Tan Sri Dato' Seri Ahmad Sarji bin Abdul Hamid, Chief Secretary to the Government officiating at the ceremony marking the launching of the book "The Civil Service of Malaysia – Towards Efficiency and Effectiveness" at the Civil Service Museum, Kuala Lumpur on 20 January 1996*

*Tan Sri Dato' Seri Ahmad Sarji bin Abdul Hamid, Chief Secretary to the Government, speaking at the launching ceremony of the "Standard Accounting System for Government Agencies (SAGA)" at INTAN, Bukit Kiara, Kuala Lumpur on 26 February 1996*

*Tan Sri Dato' Seri Ahmad Sarji bin Abdul Hamid, Chief Secretary to the Government launching the "Annual Report of the Public Complaints Bureau 1995" and the "Annual Report on the Implementation of the Client's Charter in the Civil Service 1995" at the opening ceremony of a seminar and launching of the reports in Ipoh on 4 May 1996. At his left is Mr. Ng Kam Chiu, Director General of the Public Complaints Bureau. Standing behind him from the left are Dato' Abdul Habib bin Mansor, State Secretary of Perak; Dato' Paduka Dr. Mazlan bin Ahmad; Director General of Public Service and Datuk Dr. Abdullah bin Abdul Rahman, Director General of MAMPU*

*Tan Sri Dato' Seri Ahmad Sarji bin Abdul Hamid, Chief Secretary to the Government launching the Development Administration Circular No. 2 of 1996 - "Guidelines for Implementing MS ISO 9000 in the Civil Service" at the launching ceremony at the Tunku Abdul Rahman Putra Memorial, Kuala Lumpur on 11 July 1996. Also present is Datuk Dr. Abdullah bin Abdul Rahman, Director General of MAMPU*

*Datuk Abdul Halim bin Ali, Chief Secretary to the Government, during his visit to MAMPU. He emphasised among others, the implementation of MS ISO 9000, Electronic Government and the Malaysia Incorporated Policy. At his right is Dato' Dr. Muhammad Rais bin Abdul Karim, Director General of MAMPU and at his left is Prof. Dato' Annuar bin Maarof, Deputy Director General (Information Technology) of MAMPU*

# II

# IMPROVEMENTS IN 1996

# PROVIDING CUSTOMER-ORIENTED SERVICES

The provision of customer-oriented services by Government agencies continued to be the main thrust of reform efforts in the Civil Service. Each agency continued to strive to provide quality services that meet the requirements of their customers. The focus was on improving the effectiveness in the implementation of programmes such as:

*(a)* Total Quality Management (TQM);

*(b)* Innovation;

*(c)* Quality Control Circles (QCCs);

*(d)* Implementation of the Client's Charter;

*(e)* Counter services; and

*(f)* Clearing backlog of work.

## TOTAL QUALITY MANAGEMENT (TQM)

The philosophy of Total Quality Management (TQM) was institutionalised in the work culture of the Civil Service with the implementation of Development Administration Circular No. 1 of 1992 entitled "Guidelines For Total Quality Management In The Civil Service". This circular provides clear guidelines for the implementation of TQM in Government agencies on the basis of seven core management principles. These management principles are *(a)* top management support; *(b)* strategic quality planning; *(c)* customer focus; *(d)* training and recognition; *(e)* enhancing teamwork; *(f)* performance measurement; and *(g)* quality assurance.

## Principle 1: Top Management Support

Quality improvement through TQM requires a comprehensive transformation in the way an organisation operates. This transformation involves changes in policies, philosophies, structures, work systems and procedures. Such changes can only be effective with the total support as well as full commitment of the top management. Evidence of top management support and commitment includes actions such as formulating the organisation's quality policy, setting up of a quality management structure and holding the Quality Day.

The formulation of an organisation's quality policy (Q Policy) is the first step in implementing TQM. The Q Policy is very important because it provides clear indication to both the internal as well as external customers the management's position on quality. Examples of Q Policy in Government agencies are shown in *Chart 1*.

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### CHART 1

### EXAMPLES OF QUALITY POLICIES OF GOVERNMENT AGENCIES

**Negeri Sembilan Water Supply Department**

"We are committed to continuously and efficiently providing our customers with clean, sufficient and economical supply of water."

**The Royal Customs and Excise Department, Kedah**

"The Royal Customs and Excise Department, Kedah is committed to continuously provide and improve services with quality enhancing features to customers, stakeholders and society by focusing on quality assurance, cost of quality and error-free output through the Total Quality Management (TQM) approach."

**Road Transport Department (JPJ)**

"The JPJ as a service organisation which deals directly with customers is committed to provide high quality, timely, efficient and clean services; manage the collection of national revenue as well as the enforcement of traffic regulations diligently and effectively."

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In order to effectively activate the TQM programme, Government agencies have set up quality management structures that are suited to the needs of the organisation. The quality management structure is responsible for all the important and strategic activities in quality management such as planning, monitoring, coordinating and problem solving. An example of a good quality management structure is that of the Public Works Department (PWD) as shown in *Chart 2*.

The PWD's quality management structure has three tiers. At the top, there is the Steering Committee on Quality and Productivity which is chaired by the Director General of Public Works with the divisional, state and unit Directors as members. The meeting of the Steering Committee is held simultaneously with the scheduled PWD Directors' Meeting. The responsibility of this committee is to determine the policies and strategies in achieving the quality objectives as well as planning, coordinating and monitoring all the quality improvement efforts at the division, state and district levels.

The second tier is made up of the Task Forces on Productivity and Quality which are headed by the division or state directors, district and work units who also act as the Quality and Productivity Coordinators. They are responsible for supervising and reporting on the progress and achievement of the implementation of their respective quality activities. As Quality and Productivity Coordinators, their function is to integrate all quality improvement efforts at all levels of the organisation. They also act as the Liaison Officers for the central agencies.

The Work Teams form the third tier in the PWD's quality management structure. The team members are appointed by the respective Task Forces to study and solve quality-related problems as well as discuss issues on quality improvement. Team members are made up of officers and staff who are closely involved with the problem or issue as well as those who are able to contribute towards resolving the relevant problem. Quality Control Circles (QCCs) are also used for this purpose.

CHART 2

# PUBLIC WORKS DEPARTMENT, MALAYSIA
## PRODUCTIVITY AND QUALITY MANAGEMENT STRUCTURE
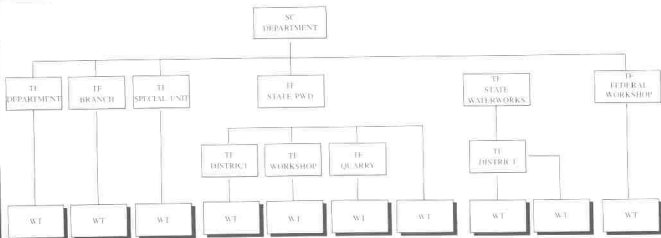


Note: SC : Productivity & Quality Steering Committee
TF : Task Force
WT : Work Team/Quality Control Circle (QCC)

## Principle 2: Strategic Quality Planning

Strategic quality planning plays a critical role in ensuring that an agency produces quality outputs. By undergoing the process of strategic planning, agencies are able to identify their strengths and weaknesses and thereby formulate appropriate strategies in line with the changing environment so as to meet customer requirements. An example of a Government agency which has implemented strategic quality planning is the Department of Chemistry. Through the participation of its staff and officers from all categories in a SWOT analysis, the Department has successfully formulated its Corporate Plan for the 1995 - 2000 period. The corporate vision, mission and objective of the Department of Chemistry are shown in *Chart 3*. The Department has also formulated three main strategic statements to ensure that they will achieve the organisational objective by *(a)* enhancing and improving their technical capabilities; *(b)* implementing a proactive and dynamic management style; and *(c)* stepping up its efforts in human resource development.

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CHART 3

### THE DEPARTMENT OF CHEMISTRY

#### VISION

"To become an internationally known Centre For Scientific Facilities
staffed by a highly dedicated and motivated work force
who are committed to integrity, excellence and quality
in the endeavour to achieve Vision 2020."

#### MISSION

"To provide efficient, effective as well as quality analytical,
investigative and consultancy services to the Government and
the private sector by a highly motivated and efficient work force."

#### OBJECTIVE

"We are committed to achieve the status
of a Centre of Excellence for Scientific Facilities by the year 2000
and to maintain this status in the years to come."

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## Principle 3: Customer Focus

Quality services possess features that satisfy customers such as speed, timeliness, reliability and friendliness. By implementing TQM, Government agencies have become more sensitive to their customers. For example, the Negeri Sembilan Water Supply Department has introduced the slogan *"Jalinan Mesra Dengan Orang Ramai" or "Courtesy To The Public"* as its guiding service principle. In putting into practice its philosophy of focusing on customers, the Department has adopted the 'feedback and feedforward' approach in its dealings with its customers. It has introduced mechanisms such as the Customer Service Unit, Liaison Committee on Water Supply, broadcast sessions over Radio 3 Seremban, meet-the-people sessions and one-day seminars to gather feedback and at the same time, disseminate information to members of the public. Other facilities introduced include mobile counter services or appointing agents to act on behalf of the Department in remote locations with more than 1000 consumers; putting up of billboards to inform the public on the availability of the hotline service; and distribution of pamphlets on the Department's activities.

## Principle 4: Training and Recognition

Successful implementation of TQM depends on the support and participation of a skilful and knowledgeable workforce with positive attitudes and values towards work. This requires continuous training and a recognition system that motivates the workforce to produce high quality outputs.

Several Government agencies have drawn up comprehensive training systems to ensure that their workforce receive the required training. For example, the Royal Customs and Excise Department, Kedah drew up a two year Training Action Plan for all categories of its personnel after conducting a comprehensive survey on staff training needs in 1995. The Department has also set up a personnel inventory system to facilitate planning for staff training and identifying suitable personnel for training.

Government agencies have also introduced many award systems. For example, PORIM has introduced various awards such as the Gold Medal Awards in Research, Best Publication and Most Prolific Writer Award; Best Laboratory Award and QCC Award.

## Principle 5: Enhancing Teamwork

Teamwork unites members of an organisation towards ensuring successful implementation of quality improvement programmes. Working in teams encourages cooperation, commitment and the participation of the employees in programmes introduced by the organisation such as Work Teams and QCCs. Active employee participation in such activities produces great impact such as the introduction of new ideas as well as problem solving which contribute to quality and productivity improvement. For example, the Royal Customs and Excise Department, Kedah, has set up seven QCC groups involving 80 workers in 1995 as compared to only one group with 10 workers in 1993.

## Principle 6: Performance Measurement

The establishment of a performance measurement system is a very critical step in monitoring and evaluating an organisation's achievement. The information generated by such a system not only enables management to evaluate the progress and effectiveness of a quality improvement effort but also acts as a useful guide for the organisation to strive for better quality performance. One of the methods used in measurement is obtaining feedback and assessment from customers. The Negeri Sembilan Water Supply Department, for example, initiated a Consumer Survey in 1991 and also in 1995 to gather information on the customers' perception of its image; customer service awareness among the staff; the level of interaction between the Department and its customers; public response and behaviour; effectiveness of the organisation in carrying out its core business as well as the quality standard of its counter services. The Customer Assessment Index compiled from the Consumer Survey formed the basis for further quality improvement efforts.

## Principle 7: Quality Assurance

Quality assurance focuses on planned and systematic actions for the prevention of quality problems to ensure the production of defect-free outputs. The quality of products and services is assured when work processes and quality standards are clearly defined and well documented. The Department of Chemistry is an example of an agency which possesses comprehensive documents to ensure the quality of its processes and outputs. Among the quality documents prepared are the Department's Quality Manual, Quality Manual for the Laboratory, Manual on Standard Operating Procedures, Manual on Work Schedules, Desk Files and Manual of Work Procedures.

## Recognising Excellence in the Implementation of TQM

The Government has introduced a quality award system to formally recognise those agencies which have shown excellence in implementing TQM. The Prime Minister's Quality Award (PMQA) and the Public Service Quality Award (PSQA) are two of the highest awards introduced.

The PMQA which was first introduced in 1990 represents the highest national award given specifically to public sector agencies in recognition of their achievements in excellent quality management. The PMQA is given to three recipients from the public, private and socio-economic sectors. Each winner receives a cash prize of RM 30,000, a trophy and a certificate of appreciation. They are also permitted to use the 'Q' logo together with the statement "Winner of the Prime Minister's Quality Award For The Year ...." on their letterheads for three consecutive years.

The PSQA on the other hand was introduced in 1991. There are three categories to this Award, namely the Chief Secretary to the Government Quality Award, the Director General of Public Service Quality Award and the Director General of the Malaysian Administrative Modernisation and Management Planning Unit (MAMPU) Quality Award. The recipient of the

Awards each receive a trophy, a certificate of merit and cash prizes of RM 10,000, RM 8,000 and RM 5,000 respectively.

In 1996, a total of 36 Government agencies were nominated for the PMQA and PSQA. Participation in the 1996 PMQA and PSQA witnessed a departure from the past in that a number of agencies at the district level including primary and secondary schools as well as the district health agencies participated in the award process. The increased participation by agencies is a reflection that the quality culture has taken hold widely in the Civil Service.

The winner of the 1996 PMQA (Public Sector) is the Palm Oil Research Institute of Malaysia (PORIM). Winners for the 1996 PSQA were the Farmers' Organisation Authority for the Chief Secretary to the Government Quality Award; the MARA Institute of Technology for the Director General of Public Service Quality Award; and the Tanah Merah 1 Secondary School, Kelantan for the Director General of MAMPU Quality Award.

## Features of Excellence of the Palm Oil Research Institute of Malaysia (PORIM)

The top management of PORIM has been credited as the prime mover and motivator of improvement efforts in that organisation. PORIM'S top management is highly committed to quality improvement efforts and actively participates in strategic quality planning and quality activities. Great emphasis is placed on teamwork and participation by all members of PORIM in seeking success.

PORIM's strategic plan is an outcome of a series of in-house workshops conducted in 1993 and 1994. The Ansoff Approach was used to analyse the Malaysian palm oil industry scenario. Apart from identifying current and future strategic businesses and trends, PORIM also assessed its research capabilities. Based on the findings, the management was able to gain a very clear understanding of its area of focus and decide what needed to be done in setting its future direction.

PORIM established the Palm Oil Research and Development Board as well as a Programmes Advisory Committee to assist its Director General in determining policy and identifying priority areas that needed to be given emphasis. As members of these bodies comprise experts and academicians in the palm oil industry, the Director General could avail himself to expert advice on relevant matters.

PORIM has a strong three-tier quality management structure. There is the Programmes Advisory Committee (PAC) at the Board of Directors level, the Total Quality Management Council at the Director General level and the Organisational Total Quality Council at the divisional level. A Corporate Implementation Unit was also established to assist the management in corporate functions and acts as the secretariat to the TQM Council. At the operational level, there are three working groups namely, the Management Improvement Team, Research Group and the Quality Control Circle.

In its efforts to improve the service and output quality, PORIM has also developed several Management Information Systems (MIS). These include the Integrated Accounting and Payroll System (INTEGRA), Conference Management System (CMS) for the registration of participants and PALMOILIS which provides information regarding the palm oil industry. PORIM has also developed the PORIM Information System that uses the LAN and WAN systems to link the Headquarters Office with the systems at the research stations and regional offices overseas. This is to enable overseas customers to be on-line with PORIM. In addition, PORIM has also developed a number of databases namely PALMSEARCH, PALMCONSULT, PALMPROCESS, PALMCOOK, PALMSTATS and the Library Online Integrated System (LOIS). The Computerised Research Project Monitoring System, on the other hand, is used to estimate the optimum fertilizer requirement to get the best yield, taking into consideration current market prices of palm oil. The operational data collected are accessible to the top management through the Executive Information System and Management Information System to enable them to forecast the prospects for palm oil in terms of supply, demand and pricing.

PORIM also has an integrated system to disseminate information about organisational excellence, new findings of technology and products as a result of its research operations as well as its technical promotion activities. PORIM disseminates such information through the domestic and foreign mass media, PORIM publications, international journals, PORIM Bulletin, PORIM Annual Research Review and Oil Palm News. Visits, lectures and exhibitions as well as Technical Advisory visits to plantations and palm oil mills are also carried out from time and time.

PORIM's strategic planning took into consideration the number of researchers, who represent the key personnel of PORIM; members from the professional and managerial group as well as those from the support service group according to age and area of expertise. Through strategic planning, PORIM is able to identify key areas of expertise in which to carry out its activities so as to remain competitive. Based on these requirements, PORIM has drawn up a manpower training plan whereby by the year 2000, 60% of its researchers would have obtained a degree at the doctoral level, 16% with Masters Degree and 24 % with first degree qualifications. The management of PORIM also recognises the contribution of its personnel and has established a system with various awards such as the Gold Medal Award, Research Gold Medal Award, Best Publication Award, Most Prolific Writer Award, Best Laboratory Award and QCC Award.

In order to increase the level of satisfaction of its internal customers, PORIM provides outdoor and indoor recreational facilities such as football fields, tennis courts and a recreation hall. For the convenience of its employees, there is a canteen and there is also a prayer hall for Muslim employees to carry out religious activities. To take care of the welfare, health and safety of its employees, facilities such as first aid kits, safety uniform and a panel of medical doctors are made available.

For the external customers, various facilities such as ample parking space, public telephones, toilets, Palm Oil Hotline, visitors room and guest houses for foreign and outstation visitors are available. Customers are informed of the quality standards of its services provided by way of its Client's Charter which is put up in various strategic places. Regional offices were also set up in Brickendonbury, England; Washington D.C.; Karachi; Hong Kong and Cairo, Egypt to disseminate information, conduct promotions and forge closer ties with foreign customers. Local plantation operators and palm oil industrialists were also given attention with the setting up of seven research stations throughout the country to assist in providing extension services and disseminating research information on oil palm.

As a research institute, innovation forms part of PORIM's output. Until 1995, PORIM has introduced 15 innovations involving technology transfer, 173 innovations in basic research, 282 involving publications and conferences and another 8 pertaining to management. The basic research innovations of PORIM are in the form of adoptive research which involves the use of research methodology similar to those that have led to innovations in other fields.

## Features of Excellence of the Farmers' Organisation Authority (FOA)

The management of the Farmers' Organisation Authority (FOA) practises the concept of participative management whereby employees are encouraged to contribute towards quality improvement through a number of approaches such as the formation of the Joint Action Council, Q Suggestion Box, QCCs and meetings involving all levels of personnel. Management support and encouragement to quality improvement efforts were very visible. The FOA reviews its quality improvement plans from time to time so as to be in line with changes in the environment, Government policies and strategies. Quality improvement efforts in the FOA are coordinated by a Quality Unit as well as the Productivity and Quality Steering Committee.

The Q Policy of the FOA which was formulated in 1991 was included in the FOA Management Guide Book for Productivity and Quality Improvement. This Guide Book has been circulated to all the staff as a source of reference. Information about the FOA's Q Policy is also disseminated during management meetings, morning prayer sessions, seminars, assemblies and Quality Day. All personnel were also exposed to quality concepts by attending relevant courses that are conducted from time to time.

The FOA information system meets current and future needs of the FOA. An updated database enables the management to undertake project planning and implementation more accurately. Project analysis was also done to ensure projects are implemented smoothly. Management also utilised information from the database to carry out impact assessment on projects and their findings have enabled the FOA management to make systematic and sound decisions.

The FOA devised a sound strategic plan based on SWOT analysis whereby the scenario in terms of environmental changes, opportunities, threats, strengths and weaknesses of the FOA were taken into consideration in the planning processes. As a result of the SWOT analysis, the FOA reviewed its objectives and strategies in 1993 and came up with a more integrated and effective Corporate and Business Plan.

Employees of the FOA work as a team. They are ever willing to work overtime and on public holidays. This cooperative spirit has resulted in the success of various projects such as the Farmers' Day Celebration and the increase in the number of farmer entrepreneurs. The FOA was congratulated by both the Rt. Hon. Prime Minister and the Hon. Minister of Agriculture for submitting their annual and financial report for 1994 ahead of schedule. The FOA successfully completed balancing its accounts for the year 1994 by 24 January 1995, two months ahead of the 31 Mac 1995 deadline.

In terms of human resource planning, the FOA drew up a Human Resource Development Plan. The Plan made provisions for (a) long term personnel requirement; (b) replacement for retired personnel; (c) succession planning and grooming; (d) personnel recruitment; (e) placement program for new personnel; (f) performance and productivity improvement; and (g) career development.

The FOA places great emphasis on the requirements for training. In this respect, the FOA has set up five training centres in Rompin, Sungai Petani, Pulau Tioman, Johor Bahru and Machang. Planning in relation to training requirements of FOA employees was undertaken by the Secretariat/Main Training Committee. The Main Training Committee carries out training needs analysis and plans for the implementation of training programmes. The Training Secretariat on the other hand, was formed to manage and conduct the training programmes that have been decided on by the Main Training Committee.

The indicators of the success of the FOA can be seen by way of the following:

(a) increase in membership from 375,942 in 1991 to 422,640 in 1995;

(b) increase in share capital from RM19.3m in 1991 to RM31.6m in 1995;

(c) increase in business volume from RM428.1m in 1991 to RM751.3m in 1995;

(d) endorsement of a clean financial report by the Auditor General's Department for four consecutive years from 1992 to 1995; and

In mobilising the financial resources of farmers as well as that of the farmers' associations, the FOA has seen progress in the following areas:

(a) converting unproductive economic activities of farmers to more productive ones through diversification;

*(b)* raising the household income of farmers to above the poverty line, that is from RM405 to RM603;

*(c)* producing a total number of 118 Successful Farmers with incomes of around RM5,000 per month;

*(d)* increasing the incomes of farmers in the form of quick returns;

*(e)* increasing shareholder funds from internal and external sources;

*(f)* creating an attitude of desire for change and progress among the farmers; and

*(g)* boosting the spirit of cooperation among farmers of different income levels so as to enable those farmers earning less to move ahead.

### Features of Excellence of the MARA Institute of Technology

The MARA Institute of Technology (ITM) established in 1956, is the largest institution of higher learning in Malaysia responsible for the development of the Malay and other Bumiputera communities in the country. It has ten campuses throughout the country with a total of 35,000 students. To-date, ITM has produced 100,000 graduates in various fields from the Certificate to the Masters levels.

The ITM leadership has shown a high commitment towards its quality improvement efforts. The academic and administrative staff and even the student community display quite clearly the values of quality and excellence. In inculcating quality values, ITM launched its Quality Movement consisting of three phases beginning from 1994 until 1998. The Centre of Total Quality Education (CTQE) was set up specifically to implement a systematic Total Quality Movement programme throughout its campuses.

ITM has prepared a number of quality models such as the Total Quality Education, Continuous Quality Improvement and Operational Framework for Total Quality (ROKUM) models in its efforts to institutionalise quality values in the organisation. ITM has also set up a sound quality management structure which outlines clearly the role of each member of the organisation. By creating a conducive working enviroment and implementing a transparent incentive and recognition system. ITM employees are motivated to produce quality outputs and encouraged to be creative and innovative so as to achieve ITM's corporate objectives.

ITM has also developed an efficient and effective information management system to facilitate its planning and implementation processes to produce outputs of high quality. The systems developed include the Student Information System, the Employee Information System (STAR), the Computerised Library System (SISPUKOM) and the TELE-INFO system. The data from these systems enable proper and systematic project planning and implementation, while providing savings in terms of time and operating costs.

ITM's strategic planning takes into consideration both national and the Bumiputera community's interests as well as market requirements. A Strategic Planning Unit was set up in every department and branch with the specific task of preparing and implementing the respective strategic and action plans. At the top management level, the establishment of the Strategic Planning Group reinforced ITM's corporate Scientific approaches such as the cal Success Factors are used in ategies. As a result of the strategic , mission as well as the objectives to be internalised by all employees objectives.

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well trained staff at every level of the organisation. Training needs analysis is conducted on an annual basis so as to enable every employee to have the opportunity to attend training and self development programmes at least once a year, whether locally or abroad.

ITM uses various mechanisms to control and ensure the quality of its output. These mechanisms include the setting up of various committees and task forces like the ITM Advisory Panel, Curriculum Committee, appointment of external examiners and the establishment of the Academic Evaluation and Quality Assurance Department. A consistent evaluation and control process was put in place to ensure that members of the organisation meet the desired quality standards. Assessment of the performance of the Quality Assurance System is regularly conducted through various means such as the 4 Qs programme which entails assurance, assessment, audit and control; management audit; financial audit; and external audit.

Innovations introduced by ITM have simplified work procedures, saved time and cost besides increasing customer satisfaction. These innovations have been acknowledged through various awards and recognition such as the PIKOM Award, Human Resource Management Award and Public Service Innovation Award.

ITM continuously strives to satisfy the requirements of its customers comprising of its own staff, students, parents and industries. The customer requirements are identified through the use of feedback forms, the mass media, questionnaires, the academic advisory panel, academic missions, the *Telesiswa* service, Radio ITM and dialogue sessions. Every complaint or suggestion is given due consideration with follow-up action. Though the ITM campuses are sited away from the urban centres, ITM provides public transport facilities for its customers. Sign boards and location maps are put at strategic places in the campuses for the convenience of the public.

ITM also shows its concern for the welfare of its employees through the setting up of recreational clubs, guidance classes, kindergartens as well as social and welfare programmes throughout the year. ITM undertook many training programmes pertaining to entrepreneurship, computers, placement through adoption, community service and academic missions to schools. The establishment of branch campuses also aids in the change process of local communities whereby it hastens national integration, increases socio-economic development and offers wider educational opportunities.

To fulfil the requirements of the industrial sector, ITM strives to produce quality graduates who are knowledgeable, competent, entrepreneurial and of good personality. Course curricula are planned such that equal emphasis is given to both physical as well as spiritual education. In this way, ITM not only meets the needs of the labour market, but the needs of the nation in contributing towards the creation of a civil society.

## Features of Excellence of the Tanah Merah 1 Secondary School, Tanah Merah, Kelantan

The Tanah Merah 1 Secondary School (SMTM 1), Tanah Merah, Kelantan, is a Grade A rural school located about 50 km from the town of Kota Bahru. It was established in 1973 and at that time had an enrolment of 964 students, 32 teachers and 3 supporting staff. Today, there are 1,483 students with 99 teachers and 16 non-academic staff. The specific objective of the school is to produce knowlegeable and competent students who have internalised Islamic values as part of fulfilling the national educational vision and the nation's Vision 2020.

Since 1993, the management of SMTM 1 under its Headmistress has shown a firm commitment in planning and implementing quality programmes in order to develop the school, having been known as a low performing school for 17 years. The objective set by the Headmistress was to turn the school into a high performing one within five years. However,

this objective was attained within three years. This outstanding achievement was due to the dynamic leadership of the Headmistress who had a clear vision for the school. Carefully planned change programmes were successfully implemented with the solid support and full cooperation of the teachers and supporting staff.

The management of SMTM 1 is a highly committed, disciplined and dedicated team. Working as a team, the management set up the School Planning Council to strategically draw up the school's curriculum, co-curriculum and student affairs programmes. Apart from formulating a comprehensive Client's Charter, the school management has also set performance targets for the *Penilaian Menengah Rendah* (PMR), *Sijil Pelajaran Malaysia* (SPM) and *Sijil Tinggi Pelajaran Malaysia* (STPM) examinations.

The Q-based management culture pervaded SMTM1 as a whole. The school management always placed great emphasis on the Q Policy which was disseminated through various activities such as the Q Day celebrations at the school level, lectures and talks for customers as well as staff recognition ceremonies.

SMTM 1 uses its financial resources prudently and has successfully maintained a clean audit record. Quality output in terms of highly disciplined students can be seen from the offical report compiled by the Tanah Merah District Police Department which indicated that compared to other schools, disciplinary problems among SMTM 1 students ranked among the lowest in the district.

Although categorised as a rural secondary school, SMTM 1 was not to be left behind in the use of information technology. Computers which were purchased from school funds and contribution from well wishers were widely in use. The computers were not only used to analyse the school performance in public examinations but also to store data on examination candidates, students' co-curricular activities as well as particulars about the students' parents.

The management of SMTM 1 has formulated a five year blueprint for the school's curricular and co-curricular activities based on the National Education Philosophy and the school's objectives. SMTM 1 also planned carefully for its human resource requirements, in instilling quality values and positive work ethics among its employees. Various training sessions, courses, discussions, workshops and study visits were also organised for its teaching and supporting staff. All efforts, contribution and involvement of its employees were always recognised through the awarding of incentives in order to upgrade the quality of outputs as well as a motivating factor for the other employees.

The success of SMTM 1 is very much dependent on the combined resources and collaboration of all members of the school. This is what has enabled SMTM 1 to realise a number of amazing innovations that were introduced at minimum cost and within a short time span. The innovations can be categorised into four main aspects namely management, education, environmental setting and information dissemination. Examples of management innovation introduced are the system of peer monitoring, *Tilik-tilik Cermin* (Scrutiny and Careful Examination) dan *Talian Sayang* (The Caring Line). Innovations in education include programs such as *Sekolahku Rumahku* (My School Is My Home), English Peer Programme, *Minda Sains (Science Mind)*, *Fail Merah 3* (Red File 3) and Intensive Mathematics and Science Programme. Programmes such as 'School In The Park', 'Green Vision' and 'Commercial Park' are some of the innovations introduced to create a cheerful environment in the school. Innovations on information dissemination such as *PSS Nadi Penggerak Minda*, Academic Camp and the *Haj Zone* were introduced with the objective of creating well-informed citizens.

The internalisation and implementation of TQM concepts in SMTM 1 has definitely assisted the management to attain several successes within a short period. Among the visible results were the attainment of a 100% pass rate in the 1994 STPM examination; an increase in the pass rate for the PMR examination from 85.4% in the 1993 to 99.6% in 1995; and

maintaining a 60% pass rate in the SPM examination. In co-curricular activities, the school emerged champions in the State-level netball tournament in 1995 while its rowing team also emerged as champions in the Open category in the 1994 Malaysia Games (SUKMA). The school has also received honours in landscaping competitions, the most notable of which is SMTM 1 emerging as the runners-up in the National-level 'School In The Park' Competition. Its most recent achievement was in being adjudged the 1996 *Sekolah Harapan Negara* (The Nation's School of Hope 1996) in the rural school category.

## INNOVATION

Since the introduction of the Public Service Innovation Award in 1991, Government agencies have used their creativity in implementing various innovations at the work place. Innovations begin with the introduction of a new idea which brings about performance as well as productivity and quality improvement. By institutionalising values such as creativity, innovation, teamwork and perseverance, Government agencies have succeeded in improving the quality of service delivery to the public. A number of Government agencies have taken the initiative to introduce specific programmes to inculcate and internalise the culture of innovation amongst its members. One such programme is the introduction of a system for recognising innovation with the aim of encouraging healthy competition among employees to introduce and implement innovations. Examples of these are the Change Programme Award introduced by the Ministry of Defence, the Ministry of Education Innovation Award, The Ministry of Defence Innovation Award, the Ministry of Human Resources Innovation Award and the Director General of Land and Mines Innovation Award for Land Administration.

The efforts to inculcate the culture of innovation were implemented through a number of ways such as lectures, forums, video presentations and exhibitions. In 1996 a Public Service innovation exhibition was held from the 20-22nd of June in Kuantan, Pahang. A total of 21 agencies which won awards

under the 1996 Public Service Innovation Award programme took part in this exhibition. Some of these innovations were simple and incremental in nature but had tremendous impact in terms of cost savings, productivity and time saving. A total of RM 18 million was saved as a result of implementing the various innovations.

In 1996, various innovations were introduced in areas such as systems and work procedures, technology, organisational structure, working environment, management style, human resource management and capital equipment. A total of 237 innovations were considered for the 1996 Public Service Innovation Award. Most of the innovations introduced were in the area of technology which includes information technology, developing new computer software and the development of electronic equipment. This shows that Government agencies are keeping abreast with the fast pace of technological development in the country. Thus Government agencies were able to produce output and provide services efficiently, with zero defect and at low cost. Some of the innovations implemented in the various areas are as follows:

## Innovations in the Area of Information Technology

### *The RTD Public InfoBase System (SALAM) by The Road Transport Department*

In an effort to be closer to the customers, the Road Transport Department (RTD) has introduced the RTD Public Info Base System or better known as SALAM to provide a channel for the public to give feedback to the RTD. This system was developed by the Computer Division of the RTD. SALAM contains various information on the RTD such as its counter services, the Road Transport Act, RTD publications, partners of RTD, frequently asked questions about the RTD and regulations as well as procedures related to road transportation.

SALAM was developed in two different versions. The first version which is in English can be accessed via the Internet by customers from all over the world through the RTD's homepage. The second version which is in Bahasa Malaysia can be accessed using touch screen monitors at the information kiosk located at the RTD lobby.

SALAM is also used by RTD Officers to make reference to current RTD rules and procedures in order to provide better services to the customers. In this way, the RTD is able to ensure that standard procedures are used by the 70 branches of RTD all over the country. Since SALAM was developed in-house, the Department managed to save RM 600,000 in terms of avoided costs.

### Research Management Through Information Technology Using SeMSAT Software by the Forest Research Institute of Malaysia

The Forest Research Institute of Malaysia (FRIM) has developed the Selective Management System Analytical Tools (SeMSAT) computer software to overcome the problem of analysing survey data and delay in preparing the information summary. This system is used to analyse data on the operations of the Selective Tree Felling System. SeMSAT was developed using dBase and is menu-driven based on the three phases of work involved in forestry management. Thus, users do not require any special computer skills in operating the system. Users can revise information obtained according to specific requirements as the software is equipped with a file maintenance system.

Currently, SeMSAT is used by all branches of the Forestry Department in Peninsula Malaysia and by the private timber company, Kumpulan Pengurusan Kayu Kayan Terengganu Sdn. Bhd. This system has reduced costs in survey data analysis before and after the felling of forest trees. For example, the cost of analysing survey data for an area of 404 hectares has been reduced from RM 2,666 to RM 135. The utilisation of manpower has also been reduced from 98 man hours to five man hours.

## The Computerised Students' Examination System by the MARA Institute of Technology (ITM)

The MARA Institute of Technology (ITM) faced a number of problems involving its student examination system such as the registration of students, subject registration, preparation of examination schedule, management of the students' academic information and the issuance of transcripts. To overcome these problems, ITM has implemented, in stages, various innovations, namely on-line registration of students, automatic registration of subjects, setting up an on-line students' academic information system, automatic scheduling of examinations and computer-generated preparation of transcripts. These innovations have facilitated customers in dealing with ITM. Information given is also more precise and can be obtained in a shorter time.

## Electronic Fieldbook by the Department of Survey and Mapping

Before the Electronic Fieldbook was introduced, cadastre fieldwork in the Department of Survey and Mapping was carried out in a conventional manner using the Electronic Distance Measurement System to observe the bearing and distance of the area surveyed, while the field book was used to record information and survey data. This manual process is tedious and time consuming as it involves pre and post calculation as well as constant checking to ensure accuracy. Errors may also occur while reading or recording the information. If there is an error, enquiries have to be made or the task has to be carried out all over again which may incur extra costs.

In overcoming this problem, the Department introduced the Electronic Fieldbook which is an integrated cadastre survey software developed in line with survey regulations stated in the National Land Code together with the Total Station toolkit. This system caters to the concept of from field to finish, whereby the storage and processing of information or survey data can be carried out through the random access digital memory card. All the work processes can be carried out in an integrated and automatic manner until the final output is produced thus reducing the work processes.

The innovation has resulted in time saving and reduction in operational costs of the Department such as the cost of field books and storage costs. A total of RM16.1 million was saved as a result of this innovation. Apart from savings, output has also increased due to minimised errors. By using the Electronic Fieldbook together with the Total Station toolkit, the Department has avoided enquiries on 185 files and 2,759 lots arising from human error.

## An Integrated Computerised Service Book Record by the Northern University of Malaysia (UUM)

The Integrated Computerised Service Book Record was developed by Northern University of Malaysia (UUM) to replace the service book record which needed manual updating. This system uses existing computers and databases to develop 19 Personnel System Modules. The system facilitates the updating of personnel records such as yearly salary adjustments, job confirmations and promotions. This system also expedites the updating of service book records from three months to one month. Apart from this, copies of personnel service statements and annual leave records could be obtained within five minutes through computer printouts as compared to two days before the innovation was introduced.

## Computerised Preparation and Processing of Layout Plan Applications by the Department of Town and Country Planning, Terengganu

The Department of Town and Country Planning, Terengganu introduced a computerised system in the preparation and processing of layout plan applications which managed to save operational costs. Time taken to prepare the layout plans has also been reduced from 43 days to 11 days whereas the time taken to process applications has been reduced from 17 days to 10 days. This new method has also expedited the process of obtaining comments on the applications as well as decisions relating to applications for layout plan approval. Layout plans that have been amended can now be checked in a shorter time

thus minimising technical work. This innovation has helped the customers especially from the private sector in expediting their projects.

## Registration of the PMR and SPM Examinations by the Malaysian Examinations Syndicate

Under the old system, students sitting for the PMR and the SPM examinations need to register for the examinations by filling in the Optical Mark Reader Forms. The Examinations Syndicate has to then check the forms submitted and rearrange them according to states. If the information received is insufficient, the Syndicate has to contact the schools or the Registration Department to update its data. Information obtained is then keyed into the computer. This method of updating information is continued until all candidates are registered and the information keyed into the computer. The time taken to complete this process was 90 days. The Examinations Syndicate encountered a number of problems using this method such as overlapping index numbers or centres, non conformance to entry requirements and incorrect subject combinations as well as wrong reading of markings. As a result, about 30 percent of the records needed correction.

To overcome this problem, the Examinations Syndicate developed a software for the registration of students sitting for the SPM and the PMR. Diskettes and manuals are distributed to all schools and the registration details of students sitting for the examinations are keyed in immediately using the diskettes. The process of checking the registration information is also carried out at the schools. Upon completion, the diskettes are returned to the Examinations Syndicate for further processing.

With this innovation, the indent for examination question papers can be carried out expeditiously and according to schedule. The preparation of other documents such as entry lists, grading forms for practical examinations/assignments, grading forms for oral examinations and the OMR marking forms can be prepared earlier and accurately. Errors are minimised to less

than one percent and the utilisation of manpower is reduced from 10 persons to five person only. The processing of the main batch of registered candidates can now be completed within one month as compared to three months previously. This system is also of assistance to the Syndicate's customers in that index numbers of candidates are generated automatically, choice of subjects as well as payments made can be confirmed while allowing printouts of such records for checking purposes. Candidates are now able to review all details regarding their registration before submission to the Examinations Syndicate.

## Micro Accounting System by the Accountant General's Department

The Accountant General's Department developed a computerised Micro Accounting System (SPM) in accordance with Development Administration Circular No. 3 of 1992 entitled "Guidelines on the Micro Accounting System". In designing the software, the Department took into account factors such as the limited number of accounting personnel, the absence of a special unit to handle SPM in Government agencies and the fact that most of the output is in terms of services rendered.

This package was developed to facilitate the collection, processing and preparation of costing information in Government agencies. A manual containing detailed instructions on data preparation, explanation regarding reports produced and guidelines on operating the system was also prepared together with the package which is simple to use. All data regarding elements of a fixed nature such as emolument costs, asset costs and costing formulae are also included in the package.

The use of the SPM package has enabled savings in maintenance costs for 13 branches, seven divisions and 11 areas under the Accountant General's Department. The cost of maintenance under the manual system was RM1,1496 compared to RM505 under the SPM package, a total savings of RM 991 per month. The implementation of this package has also saved

the Government funds amounting to RM 60,229,236. This is computed based on the cost that the cost of an existing system in the market is RM35,616 per user. The cost for the 1,711 users in Government agencies will total RM 60,938,976. On the other hand, the cost of developing the ready for use SPM package is estimated to be RM709,740.

The SPM package developed by the Accountant General's Department can be used by all Government agencies. The use of a uniform software package makes the training of users of the package much easier.

## The TELE-INFO Service by the MARA Institute of Technology

The MARA Institute of Technology (ITM) with the cooperation of CELCOM Technology (M) Sdn. Bhd. has introduced the TELE-INFO service to upgrade the efficiency of disseminating information to its customers. TELE-INFO is a service providing information to the public as well as ITM students on entry interview results, examination results and information pertaining to convocation. Users can obtain information by merely making a telephone call. Users are informed of the various categories of information services that are available and can make the appropriate press-button selections. This information is available 24 hours a day. Candidates can now obtain immediate and accurate information pertaining to interview results, interview centres, date, time and other entry requirements, as well as details relating to results of entry applications, campus location, date for registration and fees to be paid.

## Innovations in the Area of Systems and Procedures

### TELEKERJA Service by the Labour Department

TELEKERJA is a hotline introduced by the Department of Labour to provide direct access to the customers seeking information pertaining to job problems, clarification relating

to labour laws as well as information on the rights and responsibilities of employers and employees. This hotline is available at all State Labour Departments throughout Peninsular Malaysia and operates during office hours. The TELEKERJA service is handled by Senior Labour Officers and officers with more than four years experience. Consultancy services can therefore be rendered accurately and speedily through the hotline without the need to refer to other senior officers except where it involves complex cases.

### Selected Release System Scheme by the Royal Customs and Excise Department, Johor Bahru

Under the old system, lorries carrying goods passing through the Customs Complex are required to be registered, examined and charged the relevant import duties and sales taxes before release. This system is tedious as it involves long waiting time and is subject to complaints from manufacturers and transportation companies. The time taken to release raw materials affects factory schedules and transportation companies have incurred losses as a result of the long waiting period at the Customs complex.

To overcome this problem, the Royal Customs and Excise Department, Johor Bahru introduced the Selected Release System Scheme. Under this system, the valuation and categorisation of goods is done earlier, that is before the goods are brought in. This exercise is carried out only once with subsequent imports exempt from further examination. A comprehensive information system about the members participating in the scheme was established. This information is analysed by the Department to determine the suitability of candidates to participate in the scheme. Under this system, a special lane is set aside for vehicles of participating members which are checked at random by the Department's Prevention Branch officers.

## Innovations in the Technical Field

### *Float Indicator by the Drainage and Irrigation Department, Terengganu*

The Drainage and Irrigation Department, Terengganu resolved the problem of measuring peak flood levels by inventing a float indicator to replace the old peak level indicator. The float is able indicate the actual peak of the water level due to floods and the reading can be carried out at any time after a flood has occurred. The reading is now more accurate and the data gathered can assist the Department in designing irrigation canals, bridges, dams, roads, embankments and in the selection of sites for new townships or housing estates to ensure that they are away from flood prone areas.

### *Digital Volt-time Integrator by the Meteorological Service Department*

The Meteorological Service Department encountered some difficulties in using the Mark V Volt Time Integrator (VTI V) and the Kipp and Zonen Solarimeters in recording solar energy in units of MJ/m2 in the network covering the 25 meteorological stations throughout the country. The problems include loss of energy supplies as a result of frequent lightning strikes on transformers and damage to the printed circuit board caused by battery chemical outflow which may cause inaccurate readings. Apart from this, there were difficulties in obtaining spare parts such as semi-conductors and batteries as these equipment have been in use for the past 20 years.

To overcome this problem, the Department invented a Volt Time Integrator using electronic components that are easily available in the local market and possess certain characteristics which can overcome the technical problems encountered by the old VTI V. This innovation known as the VTI V3 has resulted in cost savings in terms of equipment purchase and maintenance costs. The use of the new invention has resulted in reduced frequency of damage occurrence, less need for

calibration, more precise readings, easy procurement of spare parts and a longer lasting printed circuit board.

## The Joint Research Innovations Award

The Government introduced the Joint Public and Private Sector Research Innovations Award. The award, introduced in 1993, is to recognise organisations in the public and private sectors that succeeded in producing innovations on a joint basis. In 1996, this award was presented to the Accountant General's Department, the Auditor General's Department and Malaysian Administrative Modernisation and Management Planning Unit (MAMPU) for successfully collaborating with Consortium Jaya Sdn. Bhd., a private consultant, in producing the software package known as the Standard Accounting System for Government Agencies or SAGA.

SAGA was developed from an existing accounting software package known as the PDS Preferred Accounting Series. The PDS is an open systems package that is compatible with any system that operates on open systems standards. The implementation of SAGA in five pilot agencies has shown the capability and effectiveness of the system in maintaining complete and up to date accounts. The agencies have since been able to close their accounts daily. At the same time, SAGA has enabled the agencies to prepare their pre-audit financial reports on time and also provide better management of financial accounting. The Government has decided to extend the implementation of SAGA to another 14 Statutory Bodies in 1996, while its implementation in other Statutory Bodies will be done in phases.

## QUALITY CONTROL CIRCLES (QCC)

The QCC program was introduced in the Civil Service in 1983. Its role in upgrading quality and in particular, its specific contribution towards problem solving and team building has been given due attention with the implementation of Total Quality Management (TQM) in Government agencies.

Development Administration Circular No. 7 of 1991 entitled "Guidelines on Quality Control Circles (QCCs)" was issued to assist Government agencies in implementing QCCs.

## The Public Sector QCC Convention

The Government continues to encourage QCC activities by giving recognition to teams taking part in QCC Conventions. These Conventions are held at three levels namely the departmental level, state level and the national level. A number of QCC awards have been instituted in order to give recognition to groups which have achieved excellence. These awards are divided into two categories, the management and the technical categories. A Best Facilitator Award was instituted to recognize the contribution made by facilitators.

The National Public Sector QCC Convention was held on the 1st and 2nd of December 1996 in Sungai Petani, Kedah. A total of six teams were presented with QCC awards. The Chief Secretary to the Government's Award for the Management Category was won by the PERDANA Team from the Royal Customs and Excise Department, Sultan Abdul Aziz Shah Airport, Subang whilst the SAGA Team from the Public Works Department, Tampin, Negeri Sembilan won the Chief Secretary to the Government's Award for the Technical Category. Winners for the Director General of the Public Service Department Award were the PATRIOT Team from the Royal Customs and Excise Department, Selangor for the Management Category and the ANTOI BERSERI Team from the Pontian Health Office, Johor for the Technical Category. The Director General of MAMPU Award was won by the RAFFLESIA Team from the Bukit Padang Hospital, Kota Kinabalu, Sabah for the Management Category and the KESAN Team from the Kuala Krai Hospital, Kelantan for the Technical Category.

Winners of the Chief Secretary to the Government award for both categories won a cash prize of RM3,000 and certificates of appreciation. Winners of the Director General of the Public

Service Department Award each received RM2,000 plus certificates while winners for the Director General of MAMPU award each received RM1,000 and certificates. Winners of the Best Facilitator Award received a plaque each.

## Projects of the 1996 QCC Awards Recipients

### PERDANA Team, Royal Customs and Excise Department, Sultan Abdul Aziz Shah Airport, Subang

The PERDANA Team studied the problem of delay in the releasing of trading goods into the country by air using Customs Form No.8 at the Sultan Abdul Aziz Shah Airport, Subang. This problem was solved by a one stop release arrangement at the Import Unit, implementing a selective release system based on flight schedules and preparing a special box for the placement of the Customs No. 8 Forms. Some of the benefits derived are operational cost savings amounting to RM53,778 a year for the Department and savings amounting to RM 1,337,400 for the customers. Apart from this, the average savings in terms of time for release was reduced from 48 hours to 1 hour 30 minutes. The Department also saved up to 20% storage area at the Export Unit.

### SAGA Team, Public Works Department, Tampin, Negeri Sembilan

The SAGA Team studied the problem of frequent embankment collapse which causes inconvenience to road users apart from the high maintenance cost involved. This problem was overcome by using a multi-tier tyres system. As a result, the operational cost was reduced by RM 113,130 or 78%. If this system is implemented throughout the districts, the Government can save an estimated RM10.3 million. Apart from this, the system can be easily assembled and can save as much as a total of 95 hours for each project. This system has also helped reduce environmental pollution.

## PATRIOT Team, Royal Customs and Excise Department, Selangor

In an effort to overcome manpower wastage at the Licenced Manufacturing Warehouse Branch, the PATRIOT Team restructured the postings of officers according to zones. The Customs No.1 Bonded Forms have also been abolished and only the Customs No. 8 Forms are used for bonded purposes. This team has also integrated nine monthly statements into one statement only. Some of the benefits derived are savings for the Department amounting to RM212,397 a year and RM359,760 savings a year for the customers. Apart from this, a total of 39,766 hours were saved as a result of equal distribution of workload, utilisation of only one set of declaration forms, abolishment of the inspection directive work process, namely the instruction to examine and the integration of nine monthly statements into one statement only. As a result, 95.1 percent of the Customs No. 1 Forms Bonded can be processed in less than 30 minutes and the time taken to process the Customs No. 8 Bonded has been reduced from four hours to 30 minutes.

## ANTOI BERSERI Team, Health Office, Pontian, Johor

The ANTOI BERSERI Team studied the problem of packaging pills using the old tablet separator tray. This process is the main cause for low productivity of the Junior Assistant Pharmacists. To overcome this problem a special tray called the Multiple Tablet Counting Tray (MTCT) which can be easily operated multiplied the level of productivity. As a result, the Department was able to save operational costs amounting to RM71,120 for eight clinics in Pontian. A total of RM3,840 was saved in terms of overtime expenses as the Junior Assistant Pharmacists do not need to pack tablets after office hours. Productivity was also increased from 100 packages to 206 packages in 30 minutes.

## KESAN Team, Kuala Krai Hospital, Kelantan

The KESAN Team has overcome the problem of blood supply shortages at the Blood Bank Unit by organizing a written

campaign, activating the Mobile Blood donation scheme and setting up a Caring Fund. As a result, the Hospital managed to save RM5,635 a year through cost reduction in salaries of drivers and laboratory attendants who were assigned to collect blood from other hospitals as well as through reduced expenditure on electricity. The Hospital also saved 21 working hours a year, that is the time taken to collect blood from other hospitals. As a result, the next of kin are no longer required to replace blood used by internal or external customers. Statistics have also shown that the blood supply at the Blood Bank increased by 22.7 percent until October 1996 as compared to the previous year. From January until October 1996, the Hospital did not borrow blood from any other hospital but has given 82 pints of blood to other hospitals.

### RAFFLESIA Team, Bukit Padang Hospital, Kota Kinabalu, Sabah

The RAFFLESIA Team studied ways of reducing the time taken to distribute medication to patients and a better system of managing medication in hospital wards. For this purpose, the group designed a special trolley with specific compartments to keep injection equipment, discard them after use, keep medicines, psychotropic record books and books on medication methods. The medicine box for each customer is numbered in line with the medical chart numbers. The card system was also introduced for the purpose of writing the name of the patient on the patient's medicine box. This invention has incurred savings totaling RM13,950 for nine trolleys as compared with the cost of the trolley in the market. Apart from this, each ward was able to add one extra hour on patient recovery activities.

### New Developments in QCC Activities

Even though the QCC activities have contributed greatly to quality and productivity improvements, there is still room for further improvement. In order to strengthen the QCC programmes in the public sector, a new approach in QCC activities was introduced. In order to strengthen the QCC program in the

Civil Service, a new approach towards QCC activities was introduced. This is to ensure that QCCs will provide a positive impact on quality improvement efforts. The new approach is task-achieving oriented whereby the scope of the QCC activities is widened. The focus on QCC activities is not only on problem solving but covers the management of improvement projects. Government agencies are encouraged to consider this new approach. INTAN was the first organization to use the new approach during the INTAN QCC Convention held on 19 August 1996. Based on this new development, the evaluation criteria for QCC projects have also been revised. The new criteria are shown in *Table 3*.

TABLE 3

## EVALUATION CRITERIA FOR QCC PROJECTS

| | *Criteria* | *Weightage* |
|---|---|---|
| 1. | Selection of Problem/Improvement Project | 14 |
| 2. | Description of Problem/Improvement Project | 8 |
| 3. | Utilization of Problem Solving Techniques | 18 |
| 4. | Corrective Action and Implementation | 18 |
| 5. | Achievement of Project Results | 21 |
| 6. | Standardization | 8 |
| 7. | Evaluation on the Team | 6 |
| 8. | Presentation of Projects | 7 |

## Contribution of QCC Activities Towards the Achievement of MS ISO 9000 Standards

The Civil Service is moving into a new era with the implementation of the MS ISO 9000 Standards. The implementation of this standard requires each agency to document all procedures and work instructions and perform duties according to documented procedures and work instructions. It is therefore recommended that Government agencies make use of QCC to review working procedures and devise new ways of doing work in line with current changes and development. It is hoped that QCC members can contribute towards continuous improvement processes which is the basis for the implementation of the MS ISO 9000 standard.

## IMPLEMENTATION OF THE CLIENT'S CHARTER

The Client's Charter signifies the commitment of the Government towards the provision of services and outputs to its customers according to set quality standards. The introduction of the Charter is aimed at creating an efficient, high quality and customer-oriented Government machinery. A comprehensive set of guidelines under Development Administration Circular No. 3 of 1993 entitled "Guidelines on the Client's Charter" were issued to assist Government agencies in formulating and implementing the Client's Charter.

### The Client's Charter Implementation Process

The effective implementation of the Client's Charter requires agencies to accomplish five processes, namely formulation of the Client's Charter; promotion of the Client's Charter; service recovery; monitoring; and evaluation and improvement.

Since the launching of the Client's Charter in 1993, 402 Government agencies comprising 134 Ministries and Federal Departments, 144 State Departments, 51 Federal Statutory Bodies and 73 Local Authorities have formulated their Client's Charters. Some examples of Client's Charters formulated by agencies are as shown in *Tables 4, 5 and 6.*

TABLE 4

# CLIENT'S CHARTER POSTAL DEPARTMENT

The Postal Department declares:

1. The following working hours are for the purpose of making enquiries and payments by the public and postal operators:

   Monday–Thursday  :  8.15 am–11.30 am and 2.15 pm–3.15 pm
   Friday  :  8.15 am–11.45 am and 1.45 pm–3.30 pm
   Saturday  :  8.15 am–12.45 pm

2. Official receipts shall be issued immediately for all payments made at the Department's counters.

3. Postal service licences for applications which have been approved shall be issued within 3 months from the date of receipt of applications provided the information enclosed therein is clear and complete.

4. Renewal of licences for applications which have been approved shall be issued within 2 months from the date of receipt of the application provided the applications for renewal are forwarded to the Department 3 months before the expiry date of the licences and the information enclosed therein is clear and complete.

5. All applications for Commemorative Stamps and Special Issues received before the 5th day of each month shall be considered in the same month of the Stamp Advisory Committee meeting provided information enclosed therein is clear and complete.

6. The Department will notify its decisions within 2 months from the date of receipt of the applications.

7. Each and every complaint will be investigated in detail and the complainant shall be informed of the development/result of the investigation within 2 months of the report/complaint being made provided information enclosed therein is clear and complete.

8. Anyone who is not satisfied with the services rendered by the Postal Department may contact:

   The Director General
   Postal Department
   Ministry of Energy, Telecommunication and Posts
   1st Floor, Wisma Damansara
   Jalan Semantan,
   50668 Kuala Lumpur

   | | | |
   |---|---|---|
   | Telephone Contact No | : | Direct Lines–03-2530544/03-2534694/ 03-2534516 |
   | Hunting Line | : | 03-2562222 |
   | Fax | : | 03-2525469 |

9. Consumers may also lodge complaints about unsatisfactory postal services directly with the respective Managers of the Post Offices or through the Pos Malaysia hotline: 03-2744141

## TABLE 5

# CLIENT'S CHARTER ATOMIC ENERGY LICENSING BOARD

| | |
|---|---|
| An application for Class A (radioactive material) licence will be processed within the following time period:<br>* New Licence — 5 weeks;<br>* Renewal of — 4 weeks; and<br>  licence<br>* Amendment of — 4 weeks<br>  licence | An application for recognition as a consultancy company will be processed within 5 months |
| An application for Class A (Milling of Radioactive Material) licence will be processed within the following time period:<br>* New licence — 7 months;<br>* Renewal of — 4 months; and<br>  licence<br>* Amendment of — 6 months<br>  licence | An application for design approval for radioactive materials store and exposure room will be processed within 2 weeks |
| An application for Class C (Irradiating apparatus) licence will be processed within the following time period:<br>* New licence — 5 months;<br>* Renewal of — 4 months; and<br>  licence<br>* Amendment of — 4 months<br>  licence | An application for the recruitment and termination of radiation workers of a licensed company will be processed within 2 weeks |
| An application for Class H licence will be processed within the following time period:<br>* New licence — 3 months;<br>* Renewal of — 2 months; and<br>  licence<br>* Amendment of — 3 months<br>  licence | Any request from the public for regulatory advice will be replied to within 1 week |
| An application for import and export permits for radioactive materials, irradiation apparatus and nuclear materials will be processed within 1 week | Any complaint regarding atomic energy activity will be investigated within 24 hours. Feedback will be given to the complainant within 2 weeks. |
| An application for transit approval for nuclear materials will be processed within 1 week | If you have any complaints relating to the **CLIENT'S CHARTER**, please contact the Director General (Tel: 4423821) |

## TABLE 6

## CLIENT'S CHARTER BATU PAHAT (WEST) DISTRICT COUNCIL

1. All household refuse will be collected promptly and efficiently every day except on Sundays and Public Holidays.

2. Subject to the completion of the prescribed application forms and subject to obtaining relevant department support, we will approve business licence applications within 2 months.

3. We will approve applications for banner advertisement licences and temporary business licences within 1 day from the date of submission of applications.

4. We will approve applications to construct factories and private dwellings within 2 months subject to obtaining the support of relevant departments.

5. We will grant approval for repairs/renovations to private dwellings within 1 month subject to compliance with the Uniform Building By-laws 1986.

6. We will issue Certificates of Fitness for Occupation within 2 weeks from the date of application, provided they are accompanied by the supporting documents of relevant departments.

### Formulation of the Client's Charter

In formulating the Client's Charter, a number of steps need to be taken by Government agencies, namely identifying customers, identifying major outputs of the agency, determining quality standards of the outputs and preparing the Client's Charter. Based on the experience of Government agencies that have formulated their respective Client's Charter, a number of methods can be used to identify customers and their requirements. For example the Atomic Energy Licensing Board was guided by the provisions of the Atomic Energy Licensing Board Act 1984 and its organisational objective in identifying its customers. The Requirements of its customers were in turn identified through various methods ssuch as seminars, dialogue sessions and questionnaires. The feedback received was compiled and discussed by the Special Committee on the Formulation of the Client's Charter in order to translate the customer requirements into quality standards of the services and outputs. In ensuring

that the standards formulated are practical and attainable, all members of the organization were given a briefing and information on the Client's Charter.

The Segamat Hospital has also used various methods to identify both its internal and external customers and their requirements. The requirements of its internal customers were identified through feedback obtained from in-service training, as well as forums and dialogue sessions. The requirements of its external customers were identified through feedback received at the information counters, security personnel, feedback forms, suggestion boxes, customer complaints, visits of the Hospital Board and ward admission evaluation forms. The requirements were then translated into quality standards such as the waiting time for patients to receive treatment; discussions between Department and Unit Heads; and comparison with the standards of other hospitals. In ensuring that the commitments were adhered to, surprise visits were conducted and pilot projects undertaken to evaluate the ability of the Department and Unit to achieve the set standards. The capacity of the organisation in terms of its manpower, cost, technology, work processes and procedures was also evaluated carefully. Each Department and Unit was also required to establish its respective work targets and analyse problems which may jeopardise the achievement of the quality standards.

The formulation of the Client's Charter in the Ipoh Municipal Council was initiated by the setting up of the Client's Charter Committee at the departmental level. The Departmental Committee was vested with the responsibility of identifying its customers and their requirements on the basis of the objectives and functions of each Department and translating these requirements into quality standards. The quality standards were formulated based on the capacity of each Department and feedback received from questionnaires and customer complaints. The draft Client's Charter was then vetted by the Administrative Improvement Panel of the Ipoh Municipal Council which is chaired by the Secretary of the Ipoh Municipal Council. The Client's Charter was then tested for two months to ensure that the standards as prescribed in the Charter were attainable. The Charter was then retabled at the Panel meeting and was officially adopted after its success was ascertained.

## Promotion of the Client's Charter

The Client's Charter that is prepared by a Government agency needs to be promoted among its officers and staff as well as its customers. The Charter serves as guide and reference to members of the organisation in carrying out their duties. In order to enhance the commitment of its members in implementing the Charter, it is essential that they understand the rationale and concept behind the Client's Charter. The public, as customers, needs to be informed about its rights in terms of the standards that the agency commits itself to under the Charter. Hence, all Government agencies are required to take appropriate action to promote their respective Charters.

The Town and Country Planning Department launched its Client's Charter in conjunction with its Excellent Service Award function which was held in 1993. Its Charter is displayed prominently in all the divisions and units at the Headquarters level and at strategic places such as the entrances to all offices and service counters at its branch offices. Pamphlets containing the Charter are displayed at all enquiry counters for the reference and information of the public. The Charter is also included in official documents such as the Department's Annual Reports and programme books which are distributed in conjunction with official functions of the Department. Information about the Client's Charter is also disseminated during Coordination Meetings between the Department and the Client Agencies, project briefings, visits of customers to the Department, meetings with professional bodies such as the Association of Housing Developers and through press releases. Copies of the Client's Charter are also supplied to customers to be printed in their respective professional magazines. Information on the Charter is also disseminated to all members of the Department by the Head of Department through keynote addresses at official functions, seminars, briefings and management meetings. Apart from this, all members of the Department are required to sign their respective Client's Charter in acknowledging personal commitment to the pledges in the Charter.

The Kuala Krai Land and Territorial Office promotes its Client's Charter through posters which are displayed prominently at strategic places at the Office. The contents of the Charter are also broadcast over the centralised public address system from time to time. Various methods are used to ensure that the staff understand the Charter. These include methods such as displaying the Charter in the files, reminders given at divisional and unit meetings and the oath taking ceremony during the Department's morning assembly which is held every Thursday. Annual performance appraisal of the Department's officers and staff also takes into consideration their level of understanding of the Charter.

The North Kuching Municipal Council held a huge promotion drive in connection with the launch of its Client's Charter in June 1994. A six-day lecture series on the Client's Charter was conducted for membes of the organisation at all levels. Questionnaires were also distributed to all staff to evaluate their understanding of the Charter. Posters depicting cartoon scenes relating to the Charter were displayed and included in the Departmental magazine, *Warta Q*. Pamphlets measuring 9 cm x 5 cm containing the cartoon-based depictions of the Charter were distributed to all staff of the Department as well as the public.

## Service Recovery

Agencies occasionally fail to fulfil the pledges made in their respective Client's Charter. This can jeopardise the image and credibility of the organisation. Hence, every agency is required to institute a service recovery system as a means of restoring the confidence of its customers in the capability of the organisation to deliver services as pledged.

One of the Government agencies that has instituted a service recovery system is the Department of Broadcasting. Trailers, advertisements and programmes which cannot be transmitted as scheduled will be broadcast in an alternative slot. In another instance of service recovery, when applications for the reservation of facilities such as the use of cameras, dubbing, editing or

promos have to be cancelled as a result of overbooking, the Department will take the necessary steps to get assistance from external agencies such as FINAS, ETV, the Prime Minister's Department and the Department's external crew to provide such facilities.

The Batu Pahat District Council activates its service recovery system swiftly whenever it fails to fulfil the pledges in its Charter. Among the actions taken include providing courteous and expeditious service for each complaint that is received as well as explaining the reasons for the failure to meet the quality standards and the follow-up action that will be undertaken. The Council also provides substitute or temporary services while waiting for regular services to be restored.

*Table 7* shows some examples of service recovery systems that have been introduced by the National Leprosy Control Centre, Department of Town and Country Planning, Sarikei District Council and the Kuala Terengganu Municipal Council.

## Monitoring System

Every agency is required to carry out continuous monitoring to evaluate its ability to fulfil the pledges made in the respective Client's Charter. Monitoring can be undertaken by the Steering Committee on Quality and Productivity and Quality Control Circles, studying appropriate performance reports as well as feedback from the customers.

A large number of Government agencies have established their respective monitoring systems. The Ministry of Domestic Trade and Consumer Affairs, for example, utilises various mechanisms to measure the extent to which the pledges made in the Charter are fulfilled. Among these are Q Inspections by the Quality Task Force which conducts monthly inspections on all divisions and units. The Client's Charter implementation report, which is prepared by the divisions is tabled at the management meeting and the Quality Task Force meeting to monitor the level of implementation of the Charter. The report

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TABLE 7

# EXAMPLES OF SERVICE RECOVERY SYSTEMS

## NATIONAL LEPROSY CONTROL CENTRE

The service recovery provided is as follows:

* All complaints will be answered immediately and if necessary the complainant will be called up and given a detailed explanation.

* A special notice informing the public that the particular service standard cannot be met is displayed at the premises. For example "We apologise for any delay in conducting x-rays today due to a disruption in the electricity supply".

## DEPARTMENT OF TOWN AND COUNTRY PLANNING

The Department takes proactive actions such as:

* Having consultations with customers. At the state level, the customer will be contacted if the planning application submitted is not complete. The new date of application will be conveyed to the customer.

* Reporting backlog cases to management.

* Introducing the latest tools and office equipment to expedite work.

* Employing the concept of "Rescue Squad" in solving problems related to the attainment of the standards in the Charter.

* Encouraging employees to work beyond office hours.

## SARIKEI DISTRICT COUNCIL

If complaints on unsatisfactory garbage collection are received, the Council will extend its apologies to the customer and take immediate remedial action to activate the "rescue team". The complainant is also given an explanation as to the failure in meeting the standards as contained in the Charter.

## KUALA TERENGGANU MUNICIPAL COUNCIL

The Council provides service recovery by providing feedback through the radio. The Council officers are given airtime of between 10-15 minutes each day to deliver the latest information on their services and to reply to any questions posed by the public through the programme entitled *Jendala Darul Iman*. This is implemented with the cooperation of RTM, Radio 3.

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on backlog of work prepared by all divisions, units and branches is also tabled during the "Morning Prayer" sessions. The report contains information such as the number of applications received, number of applications not processed according to the prescribed time, reasons for backlog cases and proposals for resolving the problems. A system to channel customer feedback has also been instituted. This includes suggestion boxes; dialogue sessions with the private sector, the public and the Council for Consumer Affairs and the Association of Consumers; seminars; complaints through letters or local newspapers and; feedback forms or questionnaires. Posters and pamphlets displaying the Client's Charter also contain the names and telephone numbers of officers who can be contacted in the event that customers are dissatisfied with the services provided.

The Department of Labour through its Q Management Strategy has established a performance measurement and monitoring system for its Client's Charter. The strategy makes use of methods such as the distribution of Monthly Statistics Reports; Annual Quarterly Reports; Mid-Year Reports to all Labour Offices for remedial action; Analysis of the Year End Report tabled at the Annual Conference of Senior Officers to evaluate and monitor the performance of the Department throughout the year; and establishing performance targets for the following year. Inspection visits are also carried out by the Q Inspectorate at all the offices of the Department, In addition, all divisions, units and Labour Offices are required to prepare their yearly work target. Apart from this, feedback systems such as suggestion boxes, dialogues, public complaints and consultancy services are also employed. The suggestions and views of customers are also scrutinised and evaluated for remedial action.

*Table 8* shows the various monitoring mechanisms used by Government agencies such as the Malacca Road Transport Department and Selangor Department of Environment. *Table 9* shows a sample feedback questionnaire used by the Johor Bahru Municipal Council.

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TABLE 8

# EXAMPLES OF MONITORING MECHANISMS

## MALACCA ROAD TRANSPORT DEPARTMENT

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* Employing mechanisms such as the Steering Committee on Quality and Productivity and Quality Control Circles.

* Monthly performance reports prepared by each division and unit.

* Obtaining feedback from the customers through customer feedback forms, scanning newspaper articles and discussions with customers.

* A public relations desk is provided to enable customers to submit their complaints, receive services and obtain additional information.

* An interview room is also provided to enable customers to discuss and seek clarification on services provided from the Department's officers.

## SELANGOR DEPARTMENT OF ENVIRONMENT

* The level of attainment of the standards in the Charter is monitored through customer feedback forms; suggestion boxes; newspaper articles, customer complaints; hotline and dialogue sessions with industries and other related parties.

* Monitoring is carried out at the weekly Morning Prayers; Directorate Meetings and weekly Divisional Meetings. The results of monitoring are in the form of monthly performance reports, charts and tables.

* The performance reports are displayed in the units and the department's foyer for the information of the staff and the public.

TABLE 9

## JOHOR BAHRU MUNICIPAL COUNCIL
## CLIENT'S CHARTER QUESTIONNAIRE

The questionnaire on the Client's Charter seeks the following information:

*Please tick (✓) in the space provided.*

| SERVICES PROVIDED | VERY GOOD | SATIS-FACTORY | UNSATIS-FACTORY |
|---|---|---|---|
| Garbage disposal | .............. | .............. | .............. |
| Public health | .............. | .............. | .............. |
| Public facilities | .............. | .............. | .............. |
| Recreational/sports facilities | . | .............. | .............. |
| Planning approval | .............. | .............. | .............. |
| Building plans | .............. | .............. | .............. |
| Enforcement | .............. | .............. | .............. |

| COUNCIL STAFF | VERY GOOD | SATIS-FACTORY | UNSATIS-FACTORY |
|---|---|---|---|
| Service | .............. | .............. | .............. |
| Politeness | .............. | .............. | .............. |
| Efficiency | .............. | .............. | .............. |
| Personality | .............. | .............. | .............. |
| Patience and consideration | .............. | .............. | .............. |
| Attire | .............. | .............. | .............. |
| Clarity of Information | .............. | .............. | .............. |
| Time taken to deal with customers | .............. | .............. | .............. |

| IMPROVEMENT IN SERVICE | NO CHANGE | DEGRADATION IN SERVICE |
|---|---|---|
| .................... | .................... | .................... |

Other comments/opinions:

.................................................................................

.................................................................................

*Evaluation and Improvement*

Continuous improvement is essential in overcoming constraints which can result in the failure of the implementation of the Client's Charter. The monitoring system can be utilised to evaluate and improve the standards contained in the Charter.

The Ministry of Domestic Trade and Consumer Affairs, for example, has instituted a system to monitor and evaluate the quality standards that are pledged in its Charter. In 1995, of the 46 quality standards stated in the Charter, the Ministry achieved one hundred percent attainment for 31 of the standards.

Apart from this, the Ministry has also stated its commitment to bring about further improvements in the quality standards. *Table 10* shows the standards that will be further improved.

## Efforts to Strengthen the Implementation of the Client's Charter

On the whole, Government agencies have taken concrete efforts to strengthen the implementation of their respective Client's Charter. This includes, among others, evaluating work processes and systems, introducing new technology and providing training to employees. Government agencies have also instituted a feedback, monitoring and evaluation system to track the implementation of the Client's Charter. Effective service recovery systems have also been established to restore customer satisfaction adversely affected by service failure and thus maintain their confidence in service delivery.

In recognising agencies which succeeded in fully implementing the Client's Charter, the Best Client's Charter Award was introduced since 1993. In 1996, 59 agencies, namely 23 in the Ministry/Federal Department category; five in the Federal

## TABLE 10

## IMPROVEMENT OF QUALITY STANDARDS (MINISTRY OF DOMESTIC TRADE AND CONSUMER AFFAIRS)

| Service | Output Standard | New Output Standard |
|---|---|---|
| 1. To issue letter informing decision regarding application for controlled items | 3 weeks | 2 weeks |
| 2. To issue letter informing decision regarding application for weights and measures licence | 3 weeks | 2 weeks |
| 3. To issue and renew controlled items licence | 3 weeks | 2 weeks |
| 4. To issue and renew weights and measures licence | 3 weeks | 2 weeks |
| 5. To issue new approval letter for the use of company name | 5 days | 3 days |
| 6. To issue certificate of incorporation of new company | 5 days | 3 days |
| 7. To issue certificate to incorporate change of name of company | 5 days | 3 days |

Statutory Authority category; 17 in the State-level Department category; and 14 in the Local Authority category, were considered for this award. The Best Client's Charter Award 1996 were awarded to the Department of Labour, Peninsular Malaysia, the Segamat Hospital and the Ministry of Domestic Trade and Consumer Affairs under the Ministry/Federal Department category; the Selama District and Land Office, Perak under the State-level Development category; The Farmers' Organization Authority and the Inland Revenue Board under the Federal Statutory Authority category; and the Tanah Merah District Council under the Local Authority category.

The implementation of the Client's Charter in the public sector will continue to be monitored through the Annual Government Agencies' Client's Charter Report as well as the Annual Report on the Implementation of the Client's Charter in the Public Service. Both of these reports will serve as an important guide and reference for Government agencies in their efforts to enhance the quality of their respective services.

## COUNTER SERVICES

The Civil Service further enhanced its efforts to provide better facilities and efficient counter services to meet the increasingly higher expectations of its customers in terms of the quality and types of services offered. Quality counter services will lead to better public perception of the services provided by the Government. These efforts cover both the physical and the non-physical aspects. The physical aspect focuses on the following:

*(a)* to improve the surroundings and the layout of the counters to cater to the number of customers while creating a pleasant and informative environment;

*(b)* to equip counter services with the latest equipment such as computers, queueing machines, calculating machines, money counting machines and ultra violet screening machines that would help speed up services to the customers;

*(c)* to provide additional equipment to facilitate customers such as photocopiers, instant photograph machines, vending machines, public telephones and laminating machines;

*(d)* to provide facilities such as covered passage-ways connecting counters in different buildings, children's playgrounds, canteens, comfortable rest areas and places for prayers;

*(e)* to provide and maintain beautiful and clean surroundings;

(f) to bring counter services closer to the customers by providing more mobile counters and temporary counters in places where the public converge such as shopping centres, markets, schools, government offices, factories as well as rural areas;

(g) to provide additional facilities such as fast cheque deposit boxes, payment systems using credit cards, drive-in counters, information systems using touch screen monitors;

(h) to provide additional services such as information counters and customer service counters as well as bringing counter services to elderly customers in the convenience of their homes; and

(i) to simplify the application form format for licences and permits by the introduction of composite application forms and composite licences.

The non-physical aspect focuses on the following:

(a) to increase the skills and efficiency of counter staff through training; and

(b) to improve and simplify work systems and procedures by shortening the application process, simplifying procedures at the counters, using rotation systems, having back-up systems and improving record keeping through the use of computers.

Continuous efforts were made to increase the number and types of services such as the One-stop Bill Payment Centre, One-stop Investment Centre, One-stop Licensing Centre, Temporary Counter, Mobile Counter and Drive-in Counter. This was done with the purpose of bringing counter services closer to the public. Services through the Public Services Network (PSN) were also expanded. Up to November 1996, a total of 230 post offices throughout the country provided this

service, compared to 182 post offices offering such services in 1995. Services provided through the PSN included renewal of driving licence and learner's licence, renewal of motor vehicle licence and renewal of business licence. These services received encouraging public support. For example, at the end of September 1996, a total of 110,262 transactions for renewal of business licence, 731,181 transactions for renewal of motor vehicle licence, 425,572 transactions for renewal of driving licence and 103,362 transactions for renewal of Learners' Licence were made through the PSN. Various other services were being planned such as business profile query, traffic compound payment, account statement query and change of address of EPF members, company's profile query and various other transactions involving the National Registration Department.

## Special Award for Counter Services Management

In appreciation of excellent counter services provided by Government agencies, the Counter Services Management Award was introduced by the Government. It was first introduced in 1992. In 1996, of the 27 agencies that were considered, three were selected to receive the award. These agencies were the Muar Branch of the Johor Road Transport Department, the Internal Revenue Division of the Federal Territory Branch of the Royal Customs and Excise Department and the Dungun Hospital, Terengganu.

### *Muar Branch of the Johor Road Transport Department*

The success of the Muar Branch of the Johor Road Transport Department in counter management services can be evaluated through its efforts in providing various services to customers. These include the provision of drive-in counter, information counter, instant photograph machine, a canteen, public toilets and attractive landscaping. Counter staff are required to be at their work place early to make necessary preparations before the counters open at 8.00 a.m. The preparations include wearing proper attire and name tags, cleaning of the counters, turning on the counter equipment, ensuring work equipment is in good order and that a sufficient number of relevant forms are made available.

The objective of the department is to achieve "zero complaints" and this was done by providing pleasant and courteous service with a focus on customers and by helping to solve customers' problems according to the level of authority given.

The strategy in providing the service was centred around customer satisfaction. Among the strategies which showed management commitment were the creation of the "zero complaints" slogan, customer and staff feedback system, good customer relations and encouraging staff interaction through activities such as Family Day, games and the like.

As a department that deals largely with the public, various mechanisms to identify the needs and expectations of the customers were implemented. These include putting up suggestion boxes at all divisionss complete with the relevant feedback forms, organising dialogue sessions with the customers, creating customer service centres, introducing the hotline and implementing the open door system between customers and the management of the department.

### Internal Revenue Division of the Federal Territory Branch of the Royal Customs and Excise Department

The Internal Revenue Division of the Federal Territory Branch of the Royal Customs and Excise Department increased the collection of taxes following the introduction of various improvements in its counter services. Sign boards indicating the proper directions were placed at a number of places in the building. This included the car park, staircase, lift, lower lobby and Level 4 where the Division was located. An information counter was located at the ground floor and another enquiry counter was located at Level 4 for the convenience of customers dealing with the department.

The Division also took steps to improve the working environment. Among the measures taken included the provision of bright working areas, adequate stationery and forms, money counting machines, ultra violet light screening machines and the like. These steps helped in reducing delays.

In order to provide better quality counter service, the Division focused on the importance of internalising the Customs Service Ethics, that is trustworthiness, quality, sincerity and dedication. In line with that, counter staff were required to be disciplined, wear uniforms, be positive, rational and fair in their actions. Counter staff supervision was based on checklists provided by management and the staff were graded accordingly.

To ensure commitment towards quality improvement in the provision of counter services, each customs activity was accompanied by a checklist to be adhered to by the staff on duty. Useful customs information that would help facilitate operations was kept in the Computerised Customs Information System for ease of reference.

Continuous efforts in improving the quality of counter services were also done through departmental training programmes, aimed at increasing the efficiency of staff. Various approaches were used in identifying the needs of customers. These include the use of suggestion boxes, feedback forms and dialogue and information sessions.

## *Dungun Hospital, Terengganu*

Dungun Hospital provides medical services to more than 118,000 residents in the Dungun District, Terengganu, besides being a referral centre to six medical centres and seven private clinics. Sign boards to the Dungun Hospital are placed at the 5 kilometre, 3 kilometre and 500 metre points from the hospital as well as at the main entrance to the hospital. The management also provides the location plan of the hospital at the main entrance as a guide to help patients gain access to the services that they seek. This is most helpful for those coming from other areas or new patients to the hospital. Other facilities include colour coded sign boards, places for relatives to put up for the nights if they are unable to return home, special counters for Government officers and basic facilities at the waiting area.

Counter staff are required to man their work stations much earlier to ensure that all the equipment are in working order before services are extended to the public. Before the counters close, counter staff are required to ensure that areas surrounding the counters are tidy and in proper order; forms, patient record cards, queueing numbers and medicines are properly stored away.

Customer satisfaction is at the centre of the management of counter services at the Dungun Hospital. Every customer is accorded friendly service by the counter staff. This has been internalised and emphasised in every training course organised by the hospital. Hospital management hold monthly campaigns on "caring service" with specific mottos such as "Positive Communication", "Be Responsive", "Give Respect, Gain Respect" and "Courtesy". Voluntarism is instilled through the sprit of cooperation for carrying out various activities such as the celebration of quality month, family day and open day.

The hospital management provides encouragement to customers and staff to offer suggestions that would lead to further improvement of counter services. The staff are encouraged to participate in improving the quality of service through QCC activities, innovations and other such activities.

The management of the hospital periodically conducts annual Customer Satisfaction Surveys to obtain feedback and suggestions for improvement of the services offered by the hospital. Feedback from the Hospital's Visiting Board is also examined in the effort to make further improvements to its counter services.

## CLEARING BACKLOG OF WORK

Information obtained from Government agencies shows that backlog of work has existed since 1980. Among the factors which have contributed to the backlog of work are weaknesses in systems and precedures, staff shortage, increase in workload, shortage and disrepair of office equipment and forms which are not filled properly.

In the offices of the State Directors of Lands And Mines, the longest cases of backlog of work is in the area of conversion of Certificate of Title to Grant (conversion from Permanent Title before the introduction of the National Land Code to Permanent Title under the National Land Code). There are cases which were received in 1965 that have still not been resolved. In the area of conversion of Qualified Title to Permanent Title, there are applications which were received in 1970 which have yet to be settled.

As for the Land Office, the most serious backlog is in the area of land alienation for land ownership under 4 hectares and for Temporary Occupation Licence. The earliest backlog cases date back to 1970. Among the reasons which have been cited for the backlog are missing files, the large number of applications, shortage of staff, incomplete submission of information and documents and delays in the submission of comments by technical departments.

For local authorities, backlog of work occurs in areas such as the issuance of Certificate of Fitness for Occupation, licences and approval of building plans. There have been instances of backlog in the issuances of Certificate of Fitness for Occupation dating to as far back as 1985. Another activity with serious backlog is in the approval of building plans. Among the various factors causing backlog in local authorities are applicants not adhering to the prescribed rule; architects and consultant engineers not following the regulations prescribed by the Council and the technical departments; incomplete applications documents or plans; delays in visiting construction sites together with the developer; buildings which are located outside the Council's area of jurisdiction; delays in receiving comments from the technical departments; shortage of professional and semi-professional staff for approving applications; and the frequency rate of the Technical Meeting of the Council which is held only once a month.

To address the problem of backlog of work, the Government launched the Campaign to Reduce the Backlog of Work. Government agencies were asked to identify existing backlog of work and take steps to clear the backlog through a directive

issued by the Chief Secretary to the Government dated 31 October 1995. The directive outlined the steps that could be taken by the agencies to resolve the problem of backlog of work. To ensure that the campaign achieved its objective, Heads of Department were asked to monitor the progress of the steps taken by the agencies under them to overcome the problem of backlog of work. Heads of Department/Agencies were also required to submit progress reports on the measures being taken to the respective Secretary General of the Ministry or State Secretary once every four months. One copy of the report was also to be forwarded to MAMPU for any follow-up action.

Many Government agencies took the necessary steps to overcome the problem of backlog of work. For example the Larut, Matang and Selama District and Land Office in Perak identified arrears in land revenue collection as one area which required urgent attention. In 1994, the total revenue collected was about 74 percent, while about 24 percent of the estimated arrears was collected. Among the various reasons cited for the backlog were failure of land owners to pay their taxes within the stipulated time, records in the Revenue Unit not having been updated, lack of attention to this activity, insufficient preparation and monitoring, incorrect revenue estimation, delays in the legal process of land confiscation and the increase in the number of land titles. In order to overcome these problems, the District and Land Office drew up a well developed plan to reduce the backlog.

The first step was the formation of a task force for the collection of arrears, making changes to the existing work systems and procedures and setting work targets for the year. The target for collection of arrears was set at 50 percent of the total amount due. The next step taken was the launching of "Ops Attack", with the intention of updating the information of landowners having arrears for ease of contact, providing the facility for payment of revenue by instalments, allowing the use of post-dated cheques and increasing the facilities at the counters. As a result, the revenue collected for 1995 increased to 97 percent, while the arrears collected rose to 83 percent. This was a record achievement compared to the previous four years.

The Gombak District Council launched a campaign to clear its arrears in the collection of assessment fees which formed 70 percent of its total revenue. Among the reasons identified for the arrears were the failure in serving assessment notices due to changes in the addresses of owners, information on the property not being updated, legal action not taken on property owners who defaulted in the payment of taxes, lack of supervision and monitoring on the part of the Council.

Having realised these weaknesses, the Council formed a task force and set a target for the collection of revenue and arrears. In order to achieve the target, bills were sent to the owners much earlier, that is before the month of January or July each year. Bills were generated and sent through the "Data Pos" services provided by Pos Malaysia. Ease of payment was further increased, by allowing payment through post, One Stop Bill Payment Centres, the use of Cheque Deposit Boxes, payment by installment and the use of credit cards. The Council also took action to enforce the relevant provisions of the Local Government Act (Act 171) on property owners who failed to settle their assessment fees. Through these efforts, the Gombak District Council was successful in increasing the rate of revenue collection from 85 percent in 1993 to 91 percent in 1995.

*Datuk Abdul Halim bin Ali, Chief Secretary to the Government, presenting the 1996 Chief Secretary to the Government Quality Award to Tuan Haji Abdul Rahim bin Rahmat, Director General of the Farmers' Organisation Authority at the 1996 Civil Service Quality Awards presentation ceremony on 7 November 1996*

*Dato' Paduka Dr. Mazlan bin Ahmad, Director General of Public Service, presenting the 1996 Director General of Public Service Quality Award to Dato' Ir. Haji Ahmad Zaidi bin Laidin, Director, MARA Institute of Technology (MIT) at the 1996 Civil Service Quality Awards presentation ceremony on 7 November 1996. At his left is Encik Zakaria bin Mohd. Taib, Deputy Director General of MAMPU*

*Dato' Dr. Muhammad Rais bin Abdul Karim, Director General of MAMPU presenting the 1996 Director General of MAMPU Quality Award to Puan Siti Aishah bte Haji Abdul Rahman, Headmistress of the Sekolah Menengah Tanah Merah I, Tanah Merah, Kelantan at the 1996 Civil Service Quality Awards presentation ceremony on 7 November 1996*

*Tan Sri Yahaya bin Ahmad, President of the Malaysian National Chamber of Commerce and Industry presenting the 1996 Efficient Service Award to Ir. Tan Meng Leng, Director General, Department of Environment at the 1996 Civil Service Quality Awards presentation ceremony on 7 November 1996*

*Datuk Abdul Halim bin Ali, Chief Secretary to the Government presenting the 1996 Best Client's Charter Award (Ministry and Federal Department category) to Dato' Mohamad Noor bin Abdul Rahim, Secretary General, Ministry of Domestic Trade and Consumer Affairs at the 1996 Civil Service Quality Awards presentation ceremony on 7 November 1996*

*Dato' Prof. Ishak Thambi Kechik, Vice Chancellor, Science University of Malaysia (USM) together with a senior USM official while receiving the 1996 Fail Management Award at the 1996 Civil Service Special Awards presentation ceremony on 17 December 1996. Also present are from left Dato' Dr. Muhammad Rais bin Abdul Karim, Director General of MAMPU; Datuk Abdul Halim bin Ali, Chief Secretary to the Government and Puan Musalmiah bte Haji Asli, Director, Systems and ISO 9000 Audit Division (MAMPU)*

*Datuk Abdul Halim bin Ali, Chief Secretary to the Government presenting the 1996 Information Technology Management Award to Dato' Syed Alwi bin Syed Nordin, Director General, Implementation Coordination Unit, Prime Minister's Department at the 1996 Civil Service Special Awards presentation ceremony on 17 December 1996*

*Datuk Abul Halim bin Ali, Chief Secretary to the Government visiting the Quality Award Winners Exhibition held in conjunction with the 1996 Civil Service Quality Awards presentation ceremony on 7 November 1996. Accompanying him are Dato' Paduka Dr. Mazlan bin Ahmad, Director General of Public Service, Dato' Dr. Muhammad Rais bin Abdul Karim, Director General of MAMPU and Dr. Mohd. Ariffin bin Haji Aton, President and Chief Executive of SIRIM Bhd.*

*Datuk Abdul Halim bin Ali, Chief Secretary to the Government launching the tri-monthly bulletin "Forum MS ISO 9000 Perkhidmatan Awam" in conjunction with the 1996 Civil Service Quality Awards presentation ceremony on 7 November 1996*

*The Hon. Dato' Seri Mohd. Najib bin Tun Haji Abdul Razak, Minister of Education at the MS ISO 9002 Launching Ceremony at Sekolah Rendah Kebangsaan Seri Indra, Kangar, Perlis on 19 November 1996. At his right is the headmaster of the school, Tuan Haji Desa bin Yacob. Standing at the far left is Tan Sri Datuk Dr. Wan Mohd. Zahid bin Mohd. Nordin, Director General of Education while at the far right is the Rt. Hon. Dato' Seri Shahidan bin Kassim, Menteri Besar of Perlis*

*The Hon. Datuk Abdullah bin Haji Ahmad Badawi, Minister of Foreign Affairs presenting Excellent Service Awards at the Ministry's 1996 Excellent Service Awards presentation ceremony at Rumah Puspanita, Kuala Lumpur on 4 July 1996. Also present is Tan Sri Dato' Ahmad Kamil bin Jaafar, Secretary General of the Ministry.*

*The Hon. Datuk Osu bin Haji Sukam, Minister of Land and Cooperative Development presenting Excellent Service Awards at the Ministry's 1995 Excellent Service Awards presentation ceremony on 26 July 1996*

*The Hon. Datin Paduka Zaleha Ismail, Minister of National Unity
and Community Development launching the book "Abstrak-abstrak
Kajian dan Penyelidikan" in conjunction with the Ministry's 1995
Excellent Service Awards presentation ceremony on 12 June 1996.
Also present are the Hon. Datuk Peter Tinggom anak Kamarau,
Deputy Minister and Dato' Dr. Haji Zainal Ariff bin Haji Hussain,
Secretary General of the Ministry*

*The Perak State Secretariat 1995 Excellent Service Awards held at the Office of the State Secretary of Perak on 17 June 1996. Seated from left are Dato' Abdul Habib bin Mansor, State Secretary, the Rt. Hon. Tan Sri Dato' Seri Ramli bin Ngah Talib, Menteri Besar of Perak and Dato' Dr. Isahak bin Yeop Mohd. Shar, State Financial Officer*

*Datuk Amar Haji Hamid Bugo, State Secretary of Sarawak leading the pledge taking ceremony in conjunction with the 1996 Sarawak Civil Service Day on 2 November 1996. Also present is Dato' Wan Abu Bakar bin Wan Abdul Rahman, the Federal Secretary for Sarawak*

*The Rt. Hon. Datuk Yong Teck Lee, Chief Minister of Sabah together with Datuk (Datu) Khalil bin Datu Haji Jamalul, State Secretary of Sabah at the National Information Technology Video Conferencing Exhibition at Dewan Perdana, Wisma MUIS, Kota Kinabalu, Sabah, 18-20 December 1996*

Systems and work procedures are important components in
determining the efficiency and effectiveness of an organisation.
The Civil Service is continuously focussing on efforts to improve
systems and work procedures in Government agencies. Emphasis
has been placed on important aspects that expedite services to
customers. Several initiatives were implemented in the
simplification of work processes, use of forms and composite
licences and streamlining records management systems.

## SIMPLIFYING WORK PROCESSES

Goverment agencies have responded well to measures aimed
at simplifying work processes. One of the agencies that has
undertaken efforts to improve its work processes is the Elections
Commission. The Elections Commission frequently receives
complaints about the administering of elections from its
customers, particularly political parties that are participating
in the elections. One of the main weaknesses is the delay in
the preparation of the General Elections Post-mortem Report.
This is due to the absence of clear guidelines for officers of
the Commission to take speedy action. Other weaknesses include
mistakes in completing Form 14 by Heads of Polling Stations
and mistakes in the completion of score-sheets by Managing
Officers. In addition, weaknesses were also found in the handling
of Voting Boxes and procedures for the Notification of the
Acceptance of Election Candidates.

In order to overcome these weaknesses and to enhance the
efficiency of the Commission, various measures have been
implemented. These include the updating and merging of
guidebooks and checklists for use by duty officers and candidates
standing for elections; setting time-frames for the completion
of General Elections and By-elections post-mortem reports;
and distinguishing voting boxes through the use of different
colours that match the colour of voting papers to help voters
place their votes in the correct voting boxes.

## THE USE OF COMPOSITE FORMS AND LICENCES

Government agencies require information and data to assist them in making accurate and speedy decisions. Much of this information is obtained through the use of various forms. Realizing the need for well designed forms so as to facilitate the user in understanding and completing them, Government agencies have undertaken efforts to review forms that are in use in their respective agencies. For example, the Royal Customs and Excise Department reviewed all application forms for the transfer of goods from licensed premises/warehouses. Under the old system four (4) types of forms were used, that is Excise No. 7 for Application To Remove Dutiable Goods from a Licensed or Public Excise Warehouse or Place Licensed; Excise Form No. 7A For Application To Remove Petroleum And Petroleum Products Which Are Dutiable/Non Dutiable/ Non Dutiable from a Licensed Or Public Excise Warehouse Or Place Licensed; Excise Form No. 8 for Application To Remove Dutiable Goods/Denatured Liquor from a Licensed or Public Excise Warehouse or Place Licensed; and Excise Form No. 8A for Application To Remove Dutiable Petroleum And Petroleum Products from a Licensed or Public Excise Warehouse or Place Licensed.

All four forms require the applicant to furnish similar information. The Royal Customs and Excise Department merged these forms into one composite form known as Excise Form No. 7. The Department has also taken action to merge all 16 types of licences under The Customs Act 1967, The Excise Act 1976, The Sales Tax Act 1972 and The Service Tax Act 1975. Since the information required in all the 16 licences were similar, a single composite licence, that is JKED No. 3 was issued. This effort has not only made it convenient for the customers, but has also lead to reduction in printing and paper costs as well as savings in rental of storage space.

## STREAMLINING RECORDS MANAGEMENT SYSTEMS

A good Records Management System is essential for any organization. Such a system will enable agencies to obtain

relevant information easily, speedily and in a timely fashion. It also assists in the decision-making process. A sound records management system will reduce the incidence of loss of valuable information that may jeopardize the implementation of the activities of departments and will result in wastage due to the creation of duplicate records.

Several Government agencies have taken efforts to upgrade their records management systems by introducing various improvements such as the use of mobile cabinets and the creation of a more systematic file disposal system. The use of mobile cabinets allows records to be arranged in a more systematic and orderly manner. With this, records and files can be traced easily and there is less physical deterioration of records. The introduction of a scheduled file disposal system has enhanced the efficiency and effectiveness of records management systems in Government agencies. Inactive files are separated and sent to the National Archives according to the schedule . The disposal of inactive files will save operation costs like rental of office space, cost of equipment for storing the files and purchase of file covers.

Apart from these efforts, the number of Government agencies that use computers to manage their records have increased. The use of a computerised records management system has enabled information to be obtained quickly and easily. It also allows for the establishment of a uniform records management system for all branch offices and units. Among the Government agencies that have adopted computerised filing systems are the Inland Revenue Board, the Department of Environment and the Science University of Malaysia (USM). The Inland Revenue Board uses a standard software package for its Computerised Assessment System to facilitate the taxpayer in dealing with the Board and in obtaining information regarding tax deduction at any of the Board's branch offices. The Selangor Department of Environment has used a Computerised Office Administration System to handle its records. This system was developed by the Head Office and will be linked to all its offices at the state level. USM has streamlined its file management

system by introducing a computerised Student Information System. This system allows student files to be obtained speedily thereby enabling immediate action to be taken.

## Awards for Records Management

1996, the Government again presented the Records Management Award under the Cicil Service Special Awards Category to agencies which showed excellence in file management. Three agencies were selected to receive the award namely the Registrar's Office of the MARA Institute of Technology, Science University of Malaysia and the Inland Revenue Board, Perlis Branch.

### *Registrar's Office, MARA Institute of Technology*

The File Management System adopted by the Registrar's Office, MARA Institute of Technology, Shah Alam is based on the electronic filing system known as the Computerised Personnel Information System (STARS) which is backed by a manual filing system. A senior clerk is specially assigned the task of registering all files to ensure that new file titles are given accurately. The use of STARS has not only reduced the physical movement of files but it has also enabled information to be accessed within 30 seconds. STARS has also been extended to include information on file movements. File movements are recorded in the computerised filing system whereby files can be obtained within five seconds, whereas it would have taken five minutes to obtain it using the manual system.

The MARA Institute of Technology has provided three rooms for the storage of files. Files kept in these rooms can be traced easily because they are separated according to their status whereby new and active files are kept in Filing Rooms 1 and 2 while active files from the branch offices and closed files that are less than 5 years old are kept in Filing Room 3. The filing racks are labeled for easy traceability.

Realizing the importance of training in efforts to enhance efficiency and effectiveness in the management of files and records, the Registrar's Office has sent its officers to attend training programmes in filing and records management. Between 1994 and 1996, a total of 243 staff from the management and support groups have been sent for training in this area.

## Science University of Malaysia (USM)

USM has adopted a computerised filing system with the manual filing system acting as a back-up. One of the advantages of this system is that all file movements are recorded in the computer and file movement slips are generated automatically. A copy of this slip is given to the person requesting for the file. When the file is returned, the slip is cancelled and this is recorded in the computer. Files on students can be easily identified due to the use of two different colours, that is, white files for full-time students and purple files for distance-learning students. USM has also introduced the file audit system. Under this system, the time frame for borrowing a file is seven days. A reminder will be sent to anyone who fails to return a file within the stipulated time. A file can now be obtained between one to two minutes as the status of the file is recorded in the computer. In addition, staff at the filing room have been assigned duties according to types of courses.

The layout plan of the filing room is displayed outside the filing room to assist in the search for files. Files are arranged diagonally and stickers containing basic information are pasted on the top right hand corner of the file cover. This method of arranging files has enabled easy retrieval of files.

## The Inland Revenue Board, Perlis Branch

The Inland Revenue Board (IRD), Perlis Branch registers files on customers based on the types of income. Each income type is assigned a uniform classification code throughout the Board's branch offices in Malaysia. File reference numbers are assigned

by the Information Technology Unit of the Board's Headquarters in Kuala Lumpur. This prevents duplication in the registration of files for taxpayers. In addition, the Perlis IRD Office uses different file cover colours to distinguish the various types of files. On the file cover, the word CONFIDENTIAL is printed to denote the security status of the files.

Files are registered based on information that is obtained from the Registrar of Business, Government departments, legal firms and other sources. Initially, files with temporary numbers are created. If the respective individuals/companies are liable for tax, then a permanent reference number is issued.

The Filing Room at the IRD, Perlis Branch has its own Client'Charter which is displayed in the filing room and all staff are required to understand it. In order to ensure that only files requiring action are retained by the officers, the office compiles a list of these files every three months. Apart from this, stock-taking of files is undertaken to ensure that the list of files in the computerised system tallies with the number of files in the filing room. The staff at the filing room have been assigned duties according to the various file categories. This method enables files to be retrieved within five minutes.

As a security measure, the filing room is equipped with a television monitor that records all movements in the filing room and is linked directly to the office of the Head of the IRD, Perlis Branch and the Control Unit at the Board's Headquarters.

The customer-oriented culture of excellence in the Civil Service
is largely due to the contribution of information technology.
Information technology introduced new concepts and approaches
that proved capable of overcoming problems faced by
management. Efforts to increase the use of information
technology took into account the rapid developments in the
field and the need to take advantage of this to modernise the
administration of the public sector. Aware of the potential
benefits, the Civil Service is motivated to expand the use of
latest technology in the public sector, especially in strengthening
IT infrastructure.

## STRENGTHENING INFORMATION TECHNOLOGY INFRASTRUCTURE

The Government's interest in strengthening information
technology infrastructure is evident from the increased number
of projects and approval of information technology procurements.
In the Sixth Malaysia Plan period, a total of RM1.36 billion
was approved for projects and procurement related to information
technology. Up to November 1996, a total of RM 388.3 million
was approved. Among the major projects were the
computerisation projects in the Immigration Department, the
National Registration Department and the Road Transport
Department. Another important project that is being actively
implemented in the effort to strengthen IT infrastructure in the
public sector is the Government Integrated Telecommunications
Network (GITN).

## Government Integrated Telecommunications Network (GITN)

GITN is a telecommunications infrastructure that integrates
the Government communication requirements for data, voice,
image and video. The purpose of GITN is to provide inter and
intra-agency communications in the public sector. In developing

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GITN, the Government's specialised needs, especially security aspects related to storage, usage, generation and transfer of data and information were given serious consideration.

The GITN project was implemented as a joint privatised effort by Telekom Malaysia Berhad (TMB) and Permodalan Nasional Berhad (PNB). The two corporations set up a joint venture company known as GITN Sdn Berhad for this purpose. The implementation of the project is monitored by a Committee headed by the Director General of MAMPU.

The project will be implemented phase by phase, beginning with a pilot project and subsequently followed by full implementation according to the GITN Implementation Master Plan that was developed mutually by the contractor and the Government. In early 1996, a GITN pilot project was initiated as proof-of concept of the GITN services. The applications that were developed for the pilot project included video conferencing and discussion databases. These applications were implemented at four pilot agencies, namely the office of the Chief Secretary to the Government, the Treasury, the Economic Planning Unit and MAMPU. Another application developed for the pilot project is Distance Learning which was implemented in INTAN. The GITN pilot project was officially launched by the Chief Secretary to the Government on 13 July 1996.

The first phase of the GITN implementation has already been completed. Plans are now being drawn up to establish information systems in the entire Civil Service and develop them further towards the formation of electronic government with special focus on the new Federal administrative capital in Putrajaya.

The GITN project is an important and timely initiative, especially with the convergence of two very dynamic technologies, namely the information and media technologies. This convergence has succeeded in bringing about a new technology that is different from what we have seen in the past. Information technology which previously was often related to computer and information storage equipment, is now seen in the context of media technology, which includes audio-visual applications such as television, radio and telephone.

# THE USE OF LATEST TECHNOLOGY

Current trends show that an increasing number of Government agencies are using the latest information technology in carrying out many of their functions. A large proportion of projects that are being developed involve the establishment of local area networks (LAN) and wide area networks (WAN). Campus networks in nearly all the universities use fibre optics and the increasingly popular asynchronous transfer mode (ATM) technology as the basis of their networks. A number of universities like the Agriculture University of Malaysia, the National University of Malaysia and the University of Malaya have begun to offer distance learning programmes using video conferencing. Government agencies have also begun to shift to the use of customer-provider technology as the costs of main frame computer systems have escalated. The customer-provider technologies have increased their processing capabilities and can optimise the use of information technology resources. However, the larger Government installations will continue to depend on main frame computer systems in order to function as a large scale provider. Another technology that has been used by a number of agencies is the Geographical Information System (GIS) especially in areas such as land administration, agriculture, forestry and town and country planning.

The use of the imaging technology has also begun to expand in the public sector. Among the agencies that have used the technology are the Road Transport Department, the Office of the Registrar of Business and the Survey and Mapping Department. These departments use the imaging technology to scan and store documents. The advantage of this technology is the reduction in the need for work space and personnel, safer and more secure storage of documents and speedy retrieval of documents. SOCSO adopted the imaging system as part of the automation of its workflow.

Another accomplishment of the Civil Service in the field of information technology is the standardisation of applications to enable the integration of systems among Government agencies. One of the standardised applications that has proven to be effective is the standardisation of financial systems in statutory bodies known as the Standard Accounting System for Government Agencies (SAGA) package.

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The Multimedia Super Corridor (MSC) development project is expected to be the catalyst for the nation's information technology development and help Malaysia become the regional hub for information technology. The MSC will highlight the effectiveness of multimedia technology in increasing efficiency and productivity in the production and dissemination of information and services in the public and private sectors. Its strategic location spanning an area that is 15 kilometres wide and 40 kilometres long from the Kuala Lumpur City Centre (KLCC) in the north and the Kuala Lumpur International Airport in the south, as well as its position as an international centre for the multimedia industry will spur the demand and supply of multimedia outputs in the world market. The leading multimedia corporations will be siting their remote production operations in the MSC. The outputs of these operations will have high value added potential. It will also attract software and systems firms in the computer, telecommunications and broadcasting industries to locate their production plants in the MSC.

In ensuring the success of this critical development project, the focus has been on the building of world class telecommunications infrastructure. This involves fibre optics and satellite technology. A Telecommunications Master Plan will be drafted to provide guidelines which, among others, will consider issues such as interconnectivity and service standards to improve efficiency and facilities for communication services. Based on the huge investments made by the private sector in areas such as satellite technology, fibre optics and broadband technology, the telecommunications infrastructure will enable the use of information technology on a wide scale. The launch of Malaysia's own MEASAT I AND II satellites will allow for point-to-point or point-to-multipoint capability of telecommunications and broadcasting services speedily and simultaneously world wide.

### Information Technology Management Award

In recognising the agencies that have shown excellence in information technology management, the Government introduced

the Information Technology(IT) Management Award under the Civil Service Special Awards Category. In 1996, out of the 12 agencies that vied for the award, three were chosen. The agencies were the IT Division of the Ministry of Domestic Trade and Consumer Affairs (MDTCA), IT Division of the Implementation Coordination Unit (ICU) and the Computer Centre of the Agriculture University of Malaysia (UPM).

## Information Technology Division, Ministry of Domestic Trade and Consumer Affairs(MDTCA)

The IT Division of MDTCA was established in 1992, a year after MDTCA was formed. The objective of the division is to create an efficient and effective MDTCA information system. To achieve this, the division formulated a five-year IT Strategic Plan in line with development planning under the five year Malaysia Plans. The systems planned were those that will give the Ministry the competitive edge in terms of the services offered, information accuracy and additional services that can be provided.

High quality application systems were developed based on specific standards under the policies and practice of the MDTCA to ensure standardisation in all aspects of systems development and documentation. Applications developed by vendors are also regulated to ensure that methodologies used are understood by staff of the division to facilitate the implementation and maintenance of those systems.

The division always ensures that the computer systems are in a high state of readiness. All equipment, hardware and software are regularly maintained. Data are managed properly to ensure that they are accurate, valid and current. Appropriate precautions are taken to ensure that in the event of a disaster, the systems will be restored as soon as possible. Technologies such as the mainframe systems, networking, imaging, bar coding and the like are monitored so that they are relevant to the functions of the applications to be developed.

Training of staff is conducted on a scheduled basis to increase awareness and skills in using new and existing applications. In addition, the division also provides technical support and services to users to ensure that they face no problems in using the applications developed. Bulletins and brochures are distributed widely to ensure that users know how to communicate directly with the division to obtain assistance from staff of the division.

## Information Technology Division, Implementation Coordination Unit (ICU), Prime Minister's Department

The Implementation Coordination Unit (ICU) of the Prime Minister's Department is a central agency responsible for coordinating and monitoring development programmes and related policies to ensure the achievement of the objectives of the National Development Policy and the Nation's Vision. The ICU views information technology as an enabling base in moving along this direction. The IT Division is responsible for all aspects of computerisation in the ICU.

The Division formulated its Information Systems Plan (1996-1998) in line with its intentions to enhance the capabilities of information systems available in the ICU. The Plan was divided into three phases. Phase One focused on firming development and usage of information systems in ICU covering three main thrusts namely project monitoring, financial management and supporting systems. Phase Two involved the standardisation of information systems used by State Development Offices. Phase Three focused on the use of project monitoring systems at district level.

The division has developed quality information systems based on sanctioned standards. Examples of such standards include the NCC Documentation Standards, PRINCE and SSADM. Continuous assessment is part of the work culture of the division in ensuring high quality and reliable products. Appropriate technologies like LAN and WAN are used to

assure a high degree of information accessibility. Hardware, software and other equipment are maintained regularly to guarantee a high degree of operational readiness. The division has also provided training programmes from time to time to upgrade knowledge and skills among the ICU staff, particularly in relation to systems that were developed by the Division.

The Division helped to set up the ICU's Homepage in the Internet in order to disseminate information about the ICU. The homepage is an extension of the information access facilities made available by the ICU. In addition, the ICU has also established a Resource Centre well-equipped with IT materials. The ICU also provides a Help Desk for inquiries and complaints. The Help Desk contact numbers were widely distributed through brochures and the existing communications network. The division prepared an e-mail Directory that enabled direct communication between staff and facilitated the handling of requests for assistance.

## Computer Centre, Agriculture University of Malaysia (UPM)

The Computer Centre of the Agriculture University of Malaysia (UPM) was formed to provide support for teaching and research into the area of information technology. The centre was also responsible for preparing and administering computer-to-computer communication throughout the campus; maintaining hardware and software; training of University personnel; designing and developing as well as maintaining the University's administration systems and providing consultancy services for all computerisation activities. A Computer Centre Board was also set up to supervise the Computer Centre and also examine and approve computerisation projects in the University.

The Centre formulated clear objectives for the development of information technology. Three main thrusts outlined were the delegation of responsibilities to Responsibility Centres; the move towards a paper-less environment era; and the initiation of activities to support the realisation of the Multimedia Super

Corridor. Most of the application systems in UPM were developed in-house. In ensuring that all systems are ready and available, physical, software and data security aspects are continuously emphasised.

UPM's Homepage in the Internet was also successfully set up by the Centre. Through the Homepage, any Internet user could gain access to information on UPM. In addition, UPM personnel can communicate using the existing *UPMNet*, a network that was established using ATM technology. The network is used by the Centre as a means of getting closer to users and for users to obtain assistance from personnel of the Computer Centre.

In enhancing knowledge and skills in information technology, training programmes have been held on a continuous basis for users together with training for end-user computing and for the personnel of the Computer Centre. The Centre also practises a continuous assessment concept although to date no formal assessment or auditing of existing computer systems has been conducted. Nevertheless, the systems developed are carefully monitored and upgraded from time to time.

## CHANGES TO THE CONCEPT AND IMPLEMENTATION OF THE CIVIL SERVICE LINK (CSL)

The Civil Service Link (CSL) was officially launched by the Rt. Hon. Prime Minister on 9 August 1994. Its establishment was to facilitate users in obtaining information regarding Government administration and management while at the same time coordinating efforts to set up public domain databases and networks in Government agencies.

Under the original CSL concept, users could access Government information on-line or off-line. With the introduction of the Internet, many Government agencies have developed their own homepages. This resulted in the CSL not being fully utilised, as some of the information contained in the CSL was

now available in the homepages of agencies. In response to this development, the CSL concept and implementation was modified so as to enable it to become the gateway to Government information. Hence, the CSL Homepage was set up in October 1996 and was linked to the homepages of all Government agencies. With the establishment of the CSL Homepage as the gateway, users no longer needed to seek the homepages of various Government agencies using different Internet addresses but could access these homepages through the CSL Homepage.

The CSL Homepage incorporates a subject-based information directory that provides a short-cut to information access. The directory represents a value added element in the process of looking for Government information. The list of subjects in the directory is expanded according to requirements from time to time.

Under the new CSL concept, the scope of Government information can only be expanded by increasing the number of homepages of Government agencies in the Internet. Hence Government agencies need to set up their respective homepages in the Internet. At present, about 40 percent of Government agencies have their own homepages.

The change in the concept and implementation of CSL from that of a dial-up facility to one that is network-based is a re-engineering process that adds value to the Government information dissemination services. The obvious benefit is the increased efficiency in the collection, updating and dissemination of Government information to the consumer. Through this improvement, the CSL will function more effectively and will contribute towards achieving the objective of electronic government.

# STRENGTHENING PUBLIC-PRIVATE SECTOR COOPERATION

Malaysia's competitiveness in the global economy is increasingly evident. The 1995 World Competitiveness Report, publixshed by The World Economic Forum and The International Institute of Management which has its headquarters in Geneva credits Malaysia as the 21st most competitive nation in the world and the third most competitive among non-OECD countries. The report also considers Malaysia positively in terms of many of the criteria used to evaluate world competitiveness. As an example, under the "Government" criteria, Malaysia is placed fourth out of 48 countries that were evaluated and third among the Asian countries. More specifically, in the area of transparency, Malaysia is placed first in the world.

This record of success could not have been achieved without the close and strong cooperation between the public and private sectors under the Malaysia Incorporated Policy. Under this concept, the public and private sectors are urged to continuously cooperate closely in carrying out their respective duties and responsibilities. The main objective is to spur economic growth and at the same time enhance the nation's competitive edge in the global economy.

## THE IMPORTANCE OF THE MALAYSIA INCORPORATED POLICY

The rationale behind the implementation of the Malaysia Incorporated Policy is clear. In the efforts to develop the nation, both sectors need to always depend on each other. The private sector is the engine of economic growth, while the public sector is responsible for drawing up the working framework for major policies and providing the direction for the private sector to carry out its responsibilities effectively. The success of the private sector translates into increased profits for the sector. This will lead to increased investments and consequently the expansion and growth of the nation's economy. Economic growth will in turn enable the creation of more job opportunities. All of this contributes towards increasing Government revenue

through the collection of taxes. Increased Government revenue means that the public sector will be able to finance more socio-economic development programmes for the benefit and well being of the people. As such, it represents a smart partnership, for the fruits of such a partnership is shared not only between the public and private sectors, but also the people and the nation as a whole.

Since its introduction in 1983 by the Rt. Hon. Prime Minister, the Malaysia Incorporated Concept has developed from something of strategic intent into operational reality and has been incorporated into the nation's development plans. Presently, the Concept is all the more crucial considering that the two sectors have agreed that the private sector will be the nerve centre in spurring the nation's economic growth. This agreement was fortified with the launching of "Vision 2020" in early 1991 which laid emphasis on the Malaysia Incorporated Policy in achieving the long term national development objective of becoming a developed nation by the year 2020. The Outline Perspective Plan (1991-2000) also emphasises the implementation of the Malaysia Incorporated Policy as a key strategy in creating a competitive, dynamic, strong and resilient economy.

## PROGRESS IN THE IMPLEMENTATION OF THE MALAYSIA INCORPORATED POLICY

The success of the Malaysia Incorporated Policy depends heavily on the capability of the two sectors to create and maintain links based on a spirit of cooperation, understanding and mutual collaboration. The private sector needs to understand the various policies, objectives, laws and regulations as well as the systems and procedures of the Government agencies that it deals with constantly. The public sector on the other hand has to be sensitive to the needs and objectives of the private sector and ensure that there are no obstacles to hinder the success of the private sector.

For this purpose, the public sector has introduced various initiatives to support and help the private sector play a more active role in development. The major objective is to establish a conducive environment for economic growth while enhancing the nation's competitiveness. The focus is on strengthening the consultation mechanism and improving the quality of services and facilities that are needed by the private sector.

Among the programmes that were implemented in 1996 are as follows:

    *(a)* strengthening collaboration with the private sector;

    *(b)* upgrading the quality of services provided by Government agencies;

    *(c)* enhancing facilities to enable the private sector to have ease of access to public sector information for its use; and

    *(d)* increasing the understanding of public sector personnel about the Malaysia Incorporated Policy.

## Strengthening Public-Private Sector Collaboration

The forging of strong and cooperative relations between the public and private sectors is a pre-condition to realizing the Malaysia Incorporated Policy. In recognizing this, the public sector has established appropriate mechanisms to encourage consultation and cooperation between the two sectors. These mechanisms are the consultative panels, dialogue sessions and jointly-sponsored activities.

### Consultative Panels

Consultative panels represent the major mechanism under the implementation of the Malaysia Incorporated Policy. The basis of this mechanism is the creation of a formal institution to enable both sectors to discuss and exchange views about matters of common interest. In 1996, this mechanism was further strengthened with the setting up as well as the more active involvement of consultative panels at the state, district and local authority levels. These were in addition to consultative panels that had already been established at the federal, ministry and department levels.

The highest-level consultative panel is the Malaysia Incorporated Officials' Committee. This panel is chaired by the Chief Secretary to the Government, while its members consist of specially selected senior officials from ministries and Government departments as well as representatives of the private sector such as the various chambers of commerce.

trade associations, non-governmental organisations and the mass media. In 1996, the Committee held four meetings. During these meetings, the Committee discussed various issues and problems relating to the delivery of Government services to the private sector. Among the issues and problems were:

(a) efforts to streamline the systems and procedure for processing applications for expatriate posts and work permits;

(b) efforts to overcome problems related to taxi services in Kuala Lumpur;

(c) the proposal to draw up guidelines for the establishment of International Purchasing Offices (IPOs) and Regional Offices(ROs);

(d) measures to overcome delays in court cases;

(e) the implementation status of recommendations made by the Study on Licensing and Permits Pertaining to Business and Investment;

(f) the proposal to overcome the problems associated with the approval process for development projects in the Kuala Lumpur area;

(g) efforts to overcome the problem of delay pertaining to land matters;

(h) the formulation of guidelines for the recruitment of foreign workers;

(i) issues pertaining to the delay in issuing strata titles and certificates of fitness for occupation; and

(j) the proposal to implement MS ISO 9000 in the Civil Service.

The consultative panels at the ministry, Federal department, State government, State department, district office and local authority levels also played their roles in line with the Malaysia Incorporated Policy. These panels provided the forum for the two sectors to discuss and exchange views at the relevant levels. Among the issues discussed were the efforts to simplify procedures and regulations pertaining to the activities of the private sector, the preparation of a guidebook on laws and

regulations for the reference of the private sector when dealing with Government agencies and also the methods by which service delivery to the private sector could be further upgraded.

## Dialogue Sessions

Dialogue sessions between the private and public sectors continued to be held by ministries, departments and Government agencies at the Federal, State and District levels. Apart from strengthening the existing cooperation, these dialogue sessions are aimed at providing a forum where representatives of the two sectors can meet and discuss matters of common interest, especially those pertaining to policy, laws and regulations as well as systems and procedures that affect the business community.

The Ministry of Finance and the Ministry of International Trade and Industry(MITI) are two good examples of public sector agencies that hold dialogue sessions with the private sector. Dialogue sessions of both these Ministries are chaired personally by the respective Ministers. The Finance Ministry's Annual Dialogue is aimed at getting information and feedback from various quarters, in particular the chambers of industry and commerce, trade associations, social and professional bodies, and representatives from various sections of the private sector as input for the annual Government Budget. The Annual MITI Dialogue on the other hand is geared towards overcoming various issues and problems faced by the private sector pertaining to matters such as investment, trade and industry.

Various other agencies also hold their own dialogue sessions. For example, the Ministry of Entrepreneur Development held a number of dialogue sessions with the private sector in 1996 to discuss current issues such as the problem of public transportation and the licensing of commercial and public service vehicles. The Ministry of Domestic Trade and Consumer Affairs organised a number of dialogue sessions with the private sector to discuss a variety of issues which included among others the issue of controlled items, the proposal to introduce the Code of Ethics for Directors of Companies and the Code of Ethics for Company Secretaries.

The good response to such dialogue sessions is an indication that the mechanism has been successful in strengthening relations between the two sectors under the implementation of the Malaysia Incorporated Policy. The private sector in particular now has a wider channel through which to provide feedback and views on the drafting of policy affecting the growth of the private sector.

### Jointly Sponsored Activities

Both the public and private sectors have also continued to organise jointly sponsored activities. Such activities not only help strengthen relations between the two sectors, but also enable both parties to enhance their experience and knowledge in various fields for mutual benefit.

One of the important activities that was jointly organised in 1996 was the Malaysia Incorporated Dialogue between senior Government officers and the members of the Malaysia Regional Programme that was held on 27 June 1996 in Kuala Lumpur. This is an annual event under the auspices of the Malaysia Incorporated Officials' Committee and is jointly organised by MAMPU as the secretariat to the Committee and Messrs Paddy Schubert Sdn. Bhd., a private consultancy firm. Among the important matters discussed in this dialogue session included the role of the private sector under the Seventh Malaysia Plan and current issues such as the labour shortage, expatriate posts, productivity, infrastructure and the Industrial Master Plan.

The two sectors have also increased their cooperation in a number of fields that affect their common interests. As an example, the Ministry of Domestic Trade and Consumer Affairs and the Malaysian International Chamber of Commerce and Industry (MICCI) collaborated in preparing and publishing the Code of Ethics for Directors of Companies and the Code of Ethics for Secretaries. MITI on the other hand collaborated with the MICCI in preparing and publishing the guidebook entitled *"Guidelines for the Establishment of Representative Offices and Operational Headquarters"*. The Foreign Workers Task Force under the Ministry of Home Affairs published a

book containing guidelines on the procedure for the recruitment of foreign workers in collaboration with the Federation of Malaysian Manufacturers (FMM).

Both sectors also continued their joint efforts to organise sports and social activities. This is with a view to strengthening the interaction and spirit of cooperation between the two sectors. For example, both sectors successfully organised the Annual Malaysia Incorporated Games. Through such activities, not only were senior officials of both sectors able to interact informally but were able to foster closer ties among themselves, thus facilitating official dealings between the two sectors.

## Upgrading the Quality of Services Provided by Government Agencies

The public sector is aware that efficient, speedy and timely delivery of services is vital not only in supporting private sector activities but also in ensuring the success of these activities. In this connection, the public sector continued to undertake efforts to upgrade its performance by introducing a number of improvements and reforms in its administration. In 1996, the focus continued to be on the system of licensing and permits pertaining to business and investment.

As a result of the decision of the Malaysia Incorporated Officials' Committee meeting, the Government decided that the study on the System of Licensing and Permits Pertaining to Business and Investment be continued. The focus this time is on Government agencies which contribute directly to the success of private sector activities, especially the commercial and industrial community. The relevant agencies include the Ministry of Domestic Trade and Consumer Affairs, the Royal Customs and Excise Department, the Department of Safety and Workers' Health, the Electricity and Gas Supply Department, the Malaysian Industrial Development Authority (MIDA), the Foreign Workers Task Force and the National Pharmaceutical Bureau. The study will focus on the laws, regulations, systems and procedures pertaining to registration, licensing and a variety of applications which are administered by these agencies. The

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application forms that are in use will also be reviewed to ensure that they contain only essential items that can assist in the decision making process. This is to ensure efficient, speedy, reliable and timely services to the private sector.

The public sector also took follow-up and follow-through action to ensure that recommendations arising from the System of Licensing and Permits Pertaining to Business and Investment study that was carried out in 1990 (Phase I) and 1994 (Phase II) are actually implemented by the relevant Government agencies. An information paper on the implementation status of these recommendations was tabled at the Malaysia Incorporated Officials' Committee meeting. A similar paper will be submitted to the Cabinet for its information. Among the major recommendations of the two studies are the improvements to the system and procedures pertaining to the licensing of businesses and investments; the abolishment of a number of licences and permits, laws and regulations that are no longer relevant; the use of composite application forms, composite licences and composite billing; the extension of the validity period of licences and the establishment of more one-stop investment and licensing centres.

In the effort to upgrade the delivery of services to customers, especially the private sector, the public sector has a gone a step further in 1996 by introducing the implementation of the ISO 9000 standard in the Civil Service. The implementation of the ISO 9000 standard will ensure that Government agencies will provide a level of service that will not be inferior to that of their customers, in particular the private sector.

The efforts of the public sector in upgrading the quality of service delivery have not escaped the attention of the private sector. In 1991, the private sector introduced a special award known as the Efficient Service Award in acknowledgement of Government agencies that provide efficient service in their dealings with private corporations. In 1996, 14 Government agencies were considered for the award. Three were chosen to receive the Efficient Service Award. The agencies are the Standards and Industrial Research Institute of Malaysia (SIRIM), the Employees Provident Fund (EPF) and the Department of

Environment. This is not only a source of encouragement for the agencies concerned but represents recognition for the Civil Service as a whole. The presentation of such an award also helps to cement ties between the public and private sectors.

## Upgrading Facilities to Access Information

In 1996, the public sector continued to pay attention to efforts to disseminate information extensively. These efforts were undertaken with the awareness that widely disseminated information will assist the private sector in better understanding the various aspects related to public service such as legislation, regulations and procedures; the processes involved; the types of services available and the Government agencies that provide such services. With this information, the private sector will be able to deal more easily with Government agencies and thus save time and effort. The dissemination of information was carried out in various forms such as through the publication of pamphlets and guidebooks, the use of the paper and electronic mass media, computerised information networks and by way of exhibitions held by agencies.

In 1996, a number of new publications were issued by Government agencies as guides and reference materials for the private sector in helping them deal with the agencies. The more important ones include the "Guidelines for the Recruitment of Foreign Workers", "Code of Ethics for Directors of Companies", "Code of Ethics for Company Secretaries" and "Guidelines for the Establishment of Representative Offices and Operational Headquarters".

Government agencies have also intensified their efforts to publish pamphlets and brochures that provide explanation on the types of services; the relevant application forms that need to be used; laws and regulations as well as the procedures involved; and the rate of payment for obtaining the relevant service.

Databases that were developed by Government agencies were updated and upgraded with better facilities. This is to ensure that the private sector obtains information that is current

through on-line facilities without having to go to the agencies concerned. Among the databases that have been developed and are now in operation are the CSL, MASTIC, SITTDEC, SIRIMLINK and PALMOILIS. Government agencies also took advantage of the extensive exposure provided by the Internet by developing their respective homepages. Up to now more than 40 percent of Government agencies already have their own homepages while more than 50 agencies are in the final stages of developing their homepages.

The Government has also approved the establishment of the Government Integrated Telecommunications Network (GITN). This network will link the administrative systems at the Federal, State and District levels electronically and is expected to increase the efficiency and effectiveness of the public administrative machinery. With the establishment of the GITN, the transmission and exchange of information and messages between Government agencies can be undertaken electronically in a more efficient, speedy and timely manner and thus help expedite operations of the private sector as well.

## Increasing the Understanding of the Malaysia Incorporated Policy Among Public Sector Personnel

Efforts to deepen the understanding of public sector personnel about the Malaysia Incorporated Policy were intensified. This was to ensure that the Malaysia Incorporated Policy was well understood and appreciated by personnel at all levels of the Civil Service. In this way, their attitudes and perceptions could be directed towards a spirit of cooperation with and assistance to the private sector. The elements of attitude and perception are crucial to the success of the Malaysia Incorporated Policy.

The main institution involved in implementing programs aimed at increasing understanding about the Malaysia Incorporated Policy is the National Institute of Public Administration (INTAN). INTAN has offered special courses pertaining to the Malaysia Incorporated Policy. Special talks on the subject were also given during the mandatory induction and promotion courses. Other Government training institutions and Government agencies also conducted information sessions on the Policy during their training programmes using the training package supplied by INTAN.

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## 5 | IMPROVING ORGANISATIONAL STRUCTURES AND HUMAN RESOURCE MANAGEMENT

The Civil Service continued with its efforts to restructure organisations and improve human resource development in the public sector. These were undertaken with the knowledge that a sound organisational structure complemented by a suitably-sized and trained workforce will assist the Civil Service optimise the use of resources and carry out its operations in a more efficient and effective manner. Guided by this philosophy, the Civil Service continued to place emphasis on rightsizing so that the public sector is at optimum strength and operating in a manner that is consistent with its current role. The focus was also on privatisation efforts as a means of controlling the size of the Civil Service. On the human resource management front, training for public sector personnel to increase the level of knowledge and skills in various fields continued to be the focus. In addition, measures to help build the right values, attitude and work ethics were emphasised.

## RIGHTSIZING THE CIVIL SERVICE

The Government has implemented a number of measures to rightsize as well as restructure organizations in the Civil Service on a continuous basis since 1984, with the setting up of the Steering Committee on Rightsizing of the Civil Service. This Committee is chaired by the Chief Secretary to the Government. The measures to rightsize the Civil Service were undertaken based on two principal guidelines as follows:

*(a)* the Government's policy on the growth of the Civil Service that stipulates a growth rate of 0.53 percent per annum for the period 1989-1995; and

*(b)* any increase in posts are to be confined to the social sector, such as education and health, as well as critical areas which can assist in accelerating the nation's economic growth and revenue collection. These include economic activities and investment promotion, research, human resource development, infrastructure and enforcement.

## Developments in Rightsizing the Civil Service

In 1996, the Civil Service continued to implement a number of measures to streamline and strengthen the organizational structure of Government agencies. These measures are as follows:

*(a)* control over the creation of new posts;

*(b)* abolishment of non-critical vacant posts;

*(c)* restructuring of public sector organizations;

*(d)* review of the status and functions of statutory bodies and Regional Development Authorities; and

*(e)* implementation of the privatisation programme.

## Control over the Creation of New Posts

The consideration in the creation of new posts is dependent on the extent to which a particular sector or field is critical to meeting current needs. In 1996, a total of 14,160 posts were created. As is evident from *Table 11*, of this number, 8,895 posts (65%) were created to cater to the needs of the administrative and security sectors, 3,824 posts (27%) in the economic sector and 1,441 posts (10%) in the social sector.

## Abolishment of Vacant Posts

The review of the status of vacant posts in public agencies was undertaken in coordination with the restructing exercise for public sector agencies. In this connection, the Civil Service resolved to abolish those posts in the Management and Professional Group that are vacant for more than five years as well as Support Group posts that are vacant for more than three years. However, promotional posts as well as posts that were not filled due to difficulties in obtaining candidates such as those involving technical posts were exempted from this ruling. In line with this, 6,395 posts were abolished in 1996. Most of these posts were from the administrative and security sectors, numbering 4,567 posts (71%) as shown in *Table 11*.

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Table 11

**THE ESTABLISHMENT AND ABOLISHMENT OF POSTS BY SECTOR***
**(1992-1996)**

</div>

| Sector/ Agency | 1992 | | 1993 | | 1994 | | 1995 | | 1996 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Posts established | Posts abolished | Posts established | Posts abolished | Posts established | Posts abolished | Posts established | Posts abolished | Posts established | Posts abolished |
| Economic | 2,890 | 6,855 | 1,035 | 2,692 | 2,282 | 5,344 | 5,447 | 5,154 | 3,824 | 1,376 |
| Social | 11,907 | 207 | 629 | 1,294 | 15,337 | 7,757 | 14,704 | 860 | 1,441 | 452 |
| Administrative | 565 | 322 | 1,129 | 1,321 | 502 | 2,890 | 3563 | 3,077 | 8,895 | 4,567 |
| Security | 2,673 | 1,199 | 12,860 | 2,741 | 2,271 | 2,554 | | | | |
| TOTAL | 18,035 | 8,583 | 15,653 | 8,048 | 20,392 | 18,545 | 23,714 | 9,091 | 14,160 | 6,395 |

## Restructuring of Public Sector Agencies

In 1992, the Government implemented the New Remuneration System (NRS) as a measure to reduce the levels of hierarchy in order to expedite decision making and dissemination of information. In line with this, Government agencies were restructured into flatter organizations in order to optimise the utilization of resources. As can be seen from *Table 12*, out of a total of 695 agencies, 469 agencies (67%) have been restructured.

<table>
<tr><td colspan="4">TABLE 12<br><br>**RESTRUCTURING OF PUBLIC SECTOR AGENCIES**</td></tr>
<tr><td>*Type of Agency*</td><td>*Total*</td><td>*No. of Agencies Restructured*</td><td>*No. of Agencies That Have Not Been Restructured*</td></tr>
<tr><td>1. Federal Service</td><td>136</td><td>132</td><td>4</td></tr>
<tr><td>2. State Service</td><td>275</td><td>159</td><td>116</td></tr>
<tr><td>3. Federal Statutory Bodies</td><td>71</td><td>58</td><td>13</td></tr>
<tr><td>4. State Statutory Bodies</td><td>71</td><td>0</td><td>71</td></tr>
<tr><td>5. Local Authorities</td><td>142</td><td>120</td><td>22</td></tr>
<tr><td>JUMLAH</td><td>695</td><td>469</td><td>226</td></tr>
</table>

*Source: Public Service Department.*

## Review of the Position and Functions of Statutory Bodies and Regional Development Authorities

The Government reviewed the status and functions of Federal Statutory Bodies. The review was to determine whether these entities could be privatised; be retained but with a separate remuneration system or in its current form; be abolished by

merging them with other agencies; or be dissolved if their functions and purpose for which they were formed were no longer relevant to current development trends. The study involved 99,060 posts in 64 statutory bodies. In May 1996, the Government agreed with the recommendations of the study. In implementing the recommendations, the relevant statutory bodies were asked to submit proposals on the restructuring of their respective agencies.

Studies were also conducted on seven Regional Development Authorities, namely DARA, KEJORA, KETENGAH, KEDA, JENGKA, KESEDAR and PERDA. As a result of the studies, the Government decided that five Regional Development Authorities namely DARA, KEJORA, KETENGAH, KEDA and JENGKA be abolished, with their functions to be taken over by other development agencies or be privatised in phases over a one to three year period. The Ministry of Rural Development is coordinating follow-through action related to the implementation of this decision.

## Privatisation Program

The success of the privatisation program has contributed towards the efforts of the Government to reduce the size of the Civil Service and enabled savings in terms of operating expenses and increased Government revenue from corporate as well as other taxes imposed on the privatised entities. Between 1991 and 1995, a total of 29 Government agencies were privatised involving the transfer of 45,546 public sector personnel to the private sector. In 1996, another three Government agencies were privatised. This involved the transfer of 625 public sector posts to the private sector. Although the number of agencies privatised is growing smaller, the Government will continue to place emphasis on the implementation of the privatisation programme. The focus will be on new privatisation projects, for in this way there will less need for the creation of new posts, thereby helping to reduce the size of the Civil Service.

As a result of the rightsizing and restructuring efforts, the establishment of posts in Government agencies has been controlled at an average growth rate of about 0.95% per annum for the 1988-1996 period. (See *Table 13*). Although the number of new posts increased at a rate of less than one percent per annum, in terms of size, the total number of public sector personnel (not including the Police Force and the Armed Forces) has grown smaller, that is from 711,741 in 1989 to 699,948 in 1996. This represents a decline at an average rate of 0.8% per annum for the 1989-1996 period as is evident from *Table 14*.

## PRIVATISATION

During the Sixth Malaysia Plan (SMP) period, privatisation continued to be the foundation of the overall strategy to strengthen the role of private sector in the country's economic development. It represents the Government's intention and commitment towards reducing its involvement in economic activities which consequently means the reduction in the scope and level of public expenditure as well as allowing market forces to determine the nature of economic activities.

### Implementation of the Privatisation Programme

The privitisation concept implemented in Malaysia differs from those of other countries. In Malaysia, privatisation has been defined as the transfer of activities and functions traditionally carried out by the public sector to the private sector. As such, the scope of privatisation is wider whereby it does not only include existing Government-owned entities but also encompasses new projects such as highways, light transit systems and the generation of electricity.

The implementation of the privatisation programme is guided by the Privatisation Master Plan (PMP) which was introduced in 1991. Among others, the PMP features a broad policy framework for privatisation, procedures for implementation and assignment of priorities between projects to be privatised.

## TABLE 13

### PUBLIC SECTOR ESTABLISHMENT*
### 1989-1996

| Year | Total No. of Posts | Percentage of Increase/ Decrease Compared to Previous Year |
|------|--------------------|-----------------------------------------------------------|
| 1989 | 817,234 | |
| | | + 2% |
| 1990 | 837,107 | |
| | | + 1% |
| 1991 | 849,025 | |
| | | - 3% |
| 1992 | 827,279 | |
| | | + 2% |
| 1993 | 841,833 | |
| | | - 3% |
| 1994 | 814,506 | |
| | | + 2% |
| 1995 | 831,049 | |
| | | + 5.7% |
| 1996 | 878,646 | |

* Figures exclude the Police and Armed Forces.

Source : Public Service Department.

| TABLE 14 | | |
| :---: | :---: | :---: |
| **PUBLIC SECTOR PERSONNEL\*** **1989-1996** | | |
| *Year* | *Number* | *Percentage of Increase/ Decrease Compared to Previous Year* |
| 1989 | 711,741 | |
| | | } - 2% |
| 1990 | 698,422 | |
| | | } + 2% |
| 1991 | 709,018 | |
| | | } - 3% |
| 1992 | 690,014 | |
| | | } - 0.9% |
| 1993 | 683,484 | |
| | | } - 0.9% |
| 1994 | 677,394 | |
| | | } - 0.8% |
| 1995 | 671,677 | |
| | | } - 0.2% |
| 1996 | 669,948 | |

\* : Figures exclude the Police and Armed Forces

Source : Public Service Department.

An important element of the PMP is the two-year rolling Privatisation Action Plan (PAP) that was drawn up to assist in the annual implementation of the programme. The Action Plan, which can be amended, contains a list of projects that have been identified to be ready for privatisation as well those requiring restructuring or further preparation prior to privatisation. The PAP for 1995/96 lists a total of 200 projects that have been identified for privatisation or corporatisation.

To date, credible progress has been achieved in the implementation of the programme especially in terms of its significant contribution to the pace of national development. The success of this programme has won due recognition from international bodies such as the Asian Development Bank and the World Bank which in turn have requested other nations to exemplify Malaysia in implementing their privatisation programmes. Sweden for example, is greatly interested in the nation's successful privatisation programme.

In 1996 a total of 26 entities involving both new and existing projects were privatised and this included three corporatised entities. Details of these entities are in *Table 15*. It is envisaged that this privatisation exercise will result in the reduction of 2,055 posts in the Civil Service. It is estimated that from the time of implementation of the privatisation programme, that is from 1983 up to now, the public sector workforce was reduced by 98,881 personnel (12%). This has brought financial relief to the Government especially in terms of emoluments and the various allowances that are paid to public sector personnel.

Privatisation has also succeeded in bringing about savings in terms of Government capital expenditures. In 1996, The Government saved RM24.65 billion on capital expenditure as a result of the privatised projects. In the same period, revenue accruing to the Government from the sale of assets and equity amounted to RM705.9 million. Although the objective of the privatiosation programme is not to make profits, the programme has contributed to the Government coffers through proceeds

from the sale of assets and equity, the collection of corporate taxes and other taxes imposed on corporations. Recurrent income from privatisation in the form of lease rental further contributed to the Government's income. The savings and proceeds from the sale of assets and equity as well as increased corporate tax revenue enabled the Government to reduce its borrowings and the same time reallocate resources to more critical sectors. This has also contributed towards a balanced budget thereby strengthening public sector finances.

## TABLE 15

### PRIVATISED AND CORPORATISED PROJECTS IN 1996

| No. | Entity | Method of Privatisation |
|-----|--------|------------------------|
| 1. | Furniture Village, Sungai Baong | Sale of Asset |
| 2. | Pantai Baru Highway | Build-Operate-Transfer |
| 3. | Damansara-Puchong-Putrajaya Highway | Build-Operate-Transfer |
| 4. | Elevated Highway, Kuala Lumpur | Build-Operate-Transfer |
| 5. | Upgrading of Jalan Sungai Besi | Build-Operate-Transfer |
| 6. | Dedicated Highway | Build-Operate-Transfer |
| 7. | Kajang Ring Road | Build-Operate-Transfer |
| 8. | National Sports Council Tennis Centre | Management Contract |
| 9. | Government Rest House, Pasir Bogak | Build-Transfer |
| 10. | Federal Reserve Unit (FRU) Complex, Jalan Kepong | Build-Transfer |
| 11. | Development of Lot 4086, Mukim Batu, Kuala Lumpur | Build-Transfer |

| No. | Entity | Method of Privatisation |
|-----|--------|-------------------------|
| 12. | Management of Government Resort, Pulau Langkawi | Management Contract |
| 13. | Housing/Golf Course Lurah Indah, Jengka | Sale of Aset (Land Development) |
| 14. | Permatang Shahbandar II Housing, Jengka | Sale of Aset (Land evelopment) |
| 15. | KL Linear City | Sale of Aset (Land Development) |
| 16. | Jengka Jaya Housing | Sale of Aset (Land Development) |
| 17. | Dewan Bahasa dan Pustaka Building | Build-Operate-Transfer |
| 18. | Kuala Lumpur Sentral | Lease of Assets + Build-Transfer |
| 19. | Bakun Hydro Electric Station | Build-Operate |
| 20. | Perbadanan Nasional Berhad (PERNAS) | Management-Buy-Out |
| 21. | Management of RKT KESEDAR Estate | Lease |
| 22. | Kulitkraf Sdn. Bhd. | Management-Buy-Out |
| 23. | Subsidiary of Perak State Economic Development Corporation | Sale of Asset+Equity |
| 24. | Health Support Services | Management Contract |
| 25. | Prai Training Institute (ILP) | Lease of Asset |
| 26. | Road Transport Department | Management Contract+ Lease of Asset |
| 27. | Urban Development Authority (UDA) | Corporatisation |
| 28. | Standards and Industrial Research Institute of Malaysia (SIRIM) | Corporatisation |
| 29. | Technology Park Malaysia | Corporatisation |

The Government has also begun implementing the privatisation programme in the medical support services. This programme, which was implemented in late October 1996, exemplifies the Government's commitment to upgrading and modernising the services in order to achieve an international standing. The biggest health care privatisation project ever undertaken by any country in the world at a cost of RM7.5 billion, it will provide medical support services to 123 Government hospital for a 15-year period beginning January 1997. The concession was awarded to three separate companies with each company providing its services within the stipulated zones namely the northern, central and eastern zones. The three companies will provide clinical waste management services, cleansing services, linen and laundry services, facility engineering maintenance services and bio-medical engineering maintenance services. One of the conditions in the contract with the companies concerned is that they should achieve the ISO 9000 series of standards before the year 2001. Some 2,680 hospital staff will be given the option to either remain with the Government or join the three companies.

A number of mega projects were implemented through privatisation in 1996. The implementation of these mega projects is estimated to benefit the nation in terms of the capability to provide a wide spectrum of services to the public without posing a burden to the Government. Apart from this, it is expected to introduce new technologies and concepts in project implementation. An example of this is the Kuala Lumpur Sentral project in Brickfields which covers an area of 29.1 hectares and is due for completion in 1998. The project, with an estimated value of RM3 billion, is a modern integrated station in a class of its own in this region and will provide various railbased modes of transportation such as the train, light rail transit (LRT System II) and express rail link (ERL) to KLIA, Sepang. There will also be check-in and check-out facilities for passengers proceeding on their plane journeys via KLIA. It will also involve the development of commercial, housing and recreational facilities. This project was privatised through the lease of asset and build-transfer modes.

Another mega-project that was privatised in 1996 is the Kuala Lumpur Linear City project. This project entails the development of Kuala Lumpur as a city that is one of the first of its kind that is built over a river. The concept in itself is unique as it involves the construction of intelligent office buildings of the highest quality and using the latest andd sophisticated state of the art technology. This will involve the development of land reserve along the Sungai Kelang and a small part of the Sungai Gombak reserve. It calls for the construction of an approximately two kilometre long building above the river which will house a recreation centre, office space, hotel, condominiums and flats as well as commercial areas. The Kuala Lumpur Linear City project also covers the contruction of the People-Mover Rapid Transit to overcome traffic congestion in the city.

Privatisation has also succeeded in creating a large number of entrepreneurs in sectors which were once dominated by the Government. For example, the privatisation of infrastructure projects has established a pool of entrepreneurs in that field. This was made possible through the establishment of vendor programmes through specific provisions in the concessions for privatised entities. In this regard, the setting up of PROTON has led to the birth of industries related to the making of automobile components such as gear transmissions, brake components, car accessories and others from 64 small and medium scale industry vendors.

The implementation of the privatisation programme has contributed substantially to the rapid growth of the economy through bigger investments, accelerated development of a corporate sector, increased efficiency and productivity, enhancement of competition in various sectors and the generation of multiplier effects in the economy. Given the success of the privatisation programme, its implementation will be further accelerated. The Government will continue to reduce the role of the public sector in economic activities and will take the necessary action to overcome any obstacles towards this end.

# HUMAN RESOURCE DEVELOPMENT

Human resource is an important asset in any organisation. Recognising this, the Civil Service pays continuous attention to human resource development so as to ensure continuity in the efforts to achieve the objective of a world class Civil Service. In this connection, the major focus is on training. Training not only expands the knowledge and upgrades the expertise of public sector personnel, but also helps develop the attitude and mind-set necessary for the absorption and practise of appropriate values and work ethics relevant to the changing environment. Training also enhances the confidence of the Civil Service in carrying out its tasks which are increasingly challenging as well as ensures the achievement of a higher level of success.

## Training Programmes In 1996

In line with the training objectives for the Civil Service, four strategies in implementing training programmes were carried out as follows:

*(a)* exposure to and upgrading knowledge in the area of technology development through both long-term and medium-term courses;

*(b)* developing expertise and specialisation through long-term courses at certificate, diploma, first degree, masters and doctorate levels;

*(c)* devising short-term courses for management executives;

*(d)* decentralising training functions to ministries and departments.

Guided by these strategies, training programmes encompass the following aspects:

### Sponsored Training Programmes

This programme is aimed at upgrading expertise and specialisation in specific areas, including management at the

upper and middle levels. In 1996 the Public Service Department sponsored 21 types of training programmes involving 740 participants (until July 1996). Among the courses under the training programmes are those at the Doctorate and Masters levels, Post Graduate Degree in Medicine (Specialist), Post Graduate Diploma, Paramedic Course, Training Programmes for Promotion to Premier Posts, Diploma in Public Management, Diploma in Management Science, Training Programmes for Special Grade Posts, Attachment to Private Firms and Training For Technical and Vocational Trainees.

## Training for Greater Professionalism

In order to upgrade professionalism among public sector personnel, in-service management courses continued to be conducted, especially by INTAN. In 1996, a total of 715 training projects were implemented involving 26,794 participants. This included the mandatory training for new intake of personnel into the Civil Service, courses for the purpose of promotion, confirmation in service as well as general induction courses. Courses for the purpose of promotion include the Pre-Premier Grade, Pre-Grade 1 and Pre-Grade 2 courses as well as the special course for General Administrative Officers who had been absorbed into the Administrative and Diplomatic Service. Induction courses were conducted for the purpose of confirmation in service.

Other courses conducted include the Performance Management Instructors Course as well as Financial Management Training. The Performance Management Instructors Course was conducted in order to overcome issues and problems encountered in the implementation of performance appraisal under the New Remuneration System, while the emphasis under Financial Management Training is the upgrading of knowledge in the field of financial management.

## Training on Information Technology

This training program is aimed at enhancing the expertise of public sector personnel in the area of information technology. Until October 1996, a total of 40 training projects on information

technology were conducted for 1,112 public sector personnel. The major areas of training in information technology are Training for Managers and Users. Training on Systems Methodology, Systems Software and Data Communication. A number of specific training courses on information technology such as the SSADM (Structured Systems Analysis and Design Methods) Course and Internet courses were also conducted.

### Language Training

In line with the Governemnt's desire to create a pool of multilingual officers and staff, a total of 64 language training courses were conducted by INTAN up to October 1996 involving 1,364 participants. The training included courses in English, Mandarin, Japanese, Bahasa Malaysia, Arabic, Hokkien and Cantonese. Language training courses were also conducted specially for Departments with specific requirements.

### Training on the Development Administration Circulars (DACs)

Training courses on the Development Administration Circulars were conducted to enable members of the Civil Service to understand, assimilate and implement the circulars effectively. The courses that were conducted included those related to Total Quality Management; Implementation of the Malaysia Incorporated Policy; Manual of Work Procedures and Desk Files; Counter Services; Quality Control Circles, Quality of Services Rendered Through the Telephone; Management of Quality Meetings; Guidelines on Planning and Preparation of Development Projects; Use of New Forms for the Management of Assets, Inventory and Office Supplies; Guidelines on the Micro Accounting System (SPM); Guidelines on the Integrated Scheduling System (SIAP) and the Standard Accounting System for Government Agencies (SAGA). For the whole of 1996, a total of 263 courses were conducted involving 9,887 participants.

### Attachment Programme to Private Firms

In order to expose members of the Civil Service to the peculiar nature of private sector operations, two attachment programmes

to multinational corporations were undertaken in 1996. The first attachment programme was carried out in cooperation with the British-Malaysia Industry and Trade Association (BMITA) while the second programme was known as the German module. A total of 13 senior Government officials were attached to British firms located in Malaysia under the BMITA programme while 16 other participants were attached to German firms under the second programme.

## Training Franchise

The training franchise system was introduced as an effort to provide wide training opportunities in as short a time as possible for members of the Civil Service. The implementation of this system was undertaken at two levels, namely the provision of a training package and the training of departmental facilitators. The departmental facilitators are subsequently responsible for conducting training in their respective departments. The training carried out includes courses on Quality Control; the General Induction Course for Groups I, II and III; Manual of Work Procedures; Workshop on Total Quality Management (TQM); Performance Management; Computerised Vote Book; the Modified Budgeting System (MBS); the Micro Accounting System (SPM) and the Integrated Scheduling System (SIAP).

## Training Programmes by Other Government Training Institutions

Apart from INTAN, other Government training institutions have also played a significant role in carrying out training programmes, particularly to meet the training requirments of specific services or area of expertise. These Government training institutions include the Public Works Training Institute (IKRAM), the Institute of Public Health (IKU), the National Valuation Institute (INSPEN), the Aminuddin Baki Training Institute (IAB), the Royal Customs Academy of Malaysia (AKMAL), the Legal and Judicial Training Institute (ILKAP), the Institute of Diplomacy and Foreign Relations (IDHL), the Sabah Bureau of Human Resource Development and the Sarawak Civil Service Training Centre.

IKRAM focuses its training on technical fields such as mechanical and electrical engineering, land survey, architecture, structures and building, water supply engineering, road engineering, mechanical engineering, electrical engineering and computer training for members of the Public Works Department; IDHL provides training in the area of diplomacy and foreign relations not only for Government officers but also for private sector officials and international participants; ILKAP on the other hand conductss training for officers and staff involved in the legal and judicial field.

## Seminars

Seminars were also organised at the national and international levels to enable public sector personnel to exchange experiences and thoughts, especially in relation to aspects such as quality and productivity, information technology and current developments and their implications to the public sector and appropriate strategies for change. Among the seminars organised were "The National Civil Service Conference on the Public Sector: Gearing Towards Being World Class".

A number of other programmes that constituted training were also carried out in 1996. Among these were the Annual Working Meeting of District Officers held in Lumut, Perak and the Working Meeting of Officers in Local Authorities held in Kuching, Sarawak. Various working papers were tabled at these meetings and including those on the Seventh Malaysia Plan, awareness of MS ISO 9000 and its implementation, paper-less civil service, modifications to the new performance appraisal system and top management responsibility. The objective of these two meetings, among others, is to ensure that members of the Civil Service at the district and local authority levels gain complete information about reform efforts in the Civil Service.

## Training for International Officers

As part of the nation's efforts to strengthen South-South cooperation as well as cooperation with Commonwealth

countries, several international training programmes were organised for officers from these countries. These training programmes were undertaken under the Malaysian Technical Cooperation Programme (MTCP). In 1996, a total of 85 international participants attended the training programmes.

## New Programmes

A number of new training programmes were also introduced by INTAN in 1996. These include the Standard Accounting System for Government Agencies package; Workshop on the Awareness of MS ISO 9000 for Top Management; Workshop on the Implementation of MS ISO 9000 for Work Groups; and the GITN Pilot Project. A total of six courses on the Standard Accounting System for Government Agencies involving 120 participants and 39 MS ISO 9000 awareness seminars involving 2,036 participants were conducted.

The GITN Distance Learning Pilot Project was launched by INTAN on July 13, 1996. The objective of the project is to equip INTAN with the capability to establish "virtual INTAN" facilities at the participants' places of work. In this way, participants will be able to follow INTAN courses or obtain information on INTAN's training programmes at their respective computer terminals. This project was implemented on a trial basis from July to September 1996.

## The Human Resource Management Award

Government agencies at all levels undertook various efforts to enhance the effectiveness of human resource management in their respective agencies. In recognition of the efforts of these agencies, the Government set up a special award under the Public Service Special Award category. In 1996, out of a total of 13 agencies that were considered for this award, three were chosen as recipients of the Public Service Special Award in the Human Resource Management category. These agencies are the Army's Electrical and Mechanical Engineering Corps, Ministry of Defence; the Science University of Malaysia; and the Inland Revenue Board, Ipoh Branch, Perak.

## The Army's Electrical and Mechanical Engineering Corps (JLJ), Ministry of Defence

The Army's Electrical and Mechanical Engineering Corps (JLJ), Ministry of Defence is responsible for the maintenance and repair of all equipment and vehicles used by the Army with the exception of staff vehicles of the Signals and Engineering Corps. In carring out its supporting functions, the JLJ ensures that the Army's rate of maintenance and service capability of military equipment is kept at an average rate of not less than 80%. The JLJ is made up of 260 officers and 5,863 staff members.

The success of the JLJ in human resource management is due to a number of strategic measures that emphasise human development, especially training and personnel management. The JLJ adheres to the philosophy of Making People Before Making Product. As such, a Training Committee for the JLJ was established under the JLJs' Administrative Directive No. 20. The JLJ determined that all officers must possess diploma-level academic qualifications at the minimum. In order to achieve this objective, the JLJ entered into a memorandum of understanding with The Technology University of Malaysia (UTM), whereby officers who had completed the Higher Engineering Course at the Army Engineering Institute (IJED) could be accepted into the third year of the diploma-level course at UTM. Up to now, a total of 129 officers (68.6%) possessed qualifications from the diploma to the masters level. This figure represents the highest percentage of general duty officers with such qualification levels among any of the Corps.

The JLJ also emphasised the use of computers as an important management tool. Officers and staff were given training in the use of computers. In encouraging the use of computers and upgrading the expertise of officers in this field, the JLJ set aside RM300,000 as a revolving fund for personal computer loans. Though this program, 111 officers purchased personal computers. The JLJ successfully developed a Personnel Management Information System known as the EMESYS.

In terms of career development, the JLJ determined that only those who are qualified will be eligible for promotion. The Promotions Board stipulated the use of practical tests for promotion exercises. This was done so as to ensure that the

level of expertise and skills of officers kept pace with current developments. The JLJ also provided incentives to retain its employees. Among the efforts undertaken was the trainer incentive scheme whereby those who were accepted as trainers could enjoy benefits in terms of promotion opportunities as well as undergo courses overseas. Officers who achieve excellent results in the courses they undertake are also given similar opportunities. Members who excel in sports are awarded the Corps' colours.

Another important aspect that is given emphasis is the building of positive work ethics among members of the JLJ, where the interest of the group takes precedence over the interest of the individual. For this purpose, the JLJ makes available the Directorate's Ethics Guidebook to ensure that members understand and imbibe the work culture. At the same time, the JLJ continued to enforce all disciplinary rules and regulations. The JLJ's objective is to reduce the number of disciplinary cases by 50% every year.

## The Science University of Malaysia

The Science University of Malaysia (USM) was set up with two main objectives, namely to prepare qualified human resources for meeting the manpower needs of the country as well as develop the mind and individual characteristics of the students so that they can become leaders of society.

The success of USM in the human resource management area is a result of systematic and detailed human resource planning via a five year plan that is consistent with the five year Malaysia Plans. The need for academic posts are based on variables that are realistic and are not ad-hoc in nature. The training and career development planning for USM staff is to fulfill the mission "to provide quality training and development in supporting the mission and objective of the University to fully equip the staff through knowledge, expertise and appropriate attitude". In line with this, two training committees were formed to oversee training and human resource development. Both of these committees also drew up their mission, objectives and strategies for training as guidelines for the Training Unit in planning and carrying out training programmes in-house. As such, training was undertaken in a planned manner along with optimum use of resources.

USM has internalised its motto "We Lead" whereby the need to get ahead, overcome, innovate and to always be in the forefront is emphasised. The motto also encourages its members to be more competitive and strive to be the best in providing services. Consequently, appropriate measures were taken to replace staff who were going to retire through the Academic Staff Traning Plan. USM also implemented the Incentive Programme to motivate employees to provide quality services in creating an excellent organization.

In order to enhance the efficiency and effectiveness of the planning, development and management of human resources, USM developed the up to date Computer-Based Information System (SISMAP) which was implemented as early as 1984. All three USM campuses in Pulau Pinang, Tronoh, Perak and Kubang Kerian, Kelantan were put on-line to facilitate data entry, safety of information and personnel planning. Presently, nearly 100% of the University's personnel information has been entered into the database. This enables the planning, development and management of human resources while ensuring that routine work is carried out in a more systematic and effective manner.

The features of excellence exhibited by USM is the result of top management commitment that has made the Total Quality Management (TQM) a work culture rather than a mangement tool. As such, the values and principles of TQM have been actively absorbed through top management workshops that have been held since 1994. USM also successfully published its own Trainer's Guidebook on Total Quality Management in ensuring consistency in TQM training at the University.

Efforts to cultivate a spirit of togetherness among USM staff was also emphasised. Among these, a major effort was by way of the establishment of a USM Staff Welfare Fund which was founded on the philosophy of "building a family environment among USM staff". This fund is for the purpose of presenting contributions in the event of the death of a staff member or family members or even provide assistance to children of staff members who are successful in gaining entry into the University. USM also pays a lot of attention to the issue of discipline. The University has also established a University Disciplinary Committee which is responsible for

enforcing the the regulations covering the discipline of University staff members. An Investigation Committee is established whenever a report about any breach in discipline is received. Up to now, four Investigation Committees were set up to investigate reports about breach in discipline among academic staff.

## *Inland Revenue Board, Ipoh Branch, Perak*

In increasing the effeiency and effectiveness of human resource management, the Inland Revenue Board (IRD), Ipoh Branch, Perak had on its own effort developed a computerised personnel information system known as Computerised Staff Information System (SISKOM). This system which was first developed in 1993, has simplified the process of managing transfers, placement, selection for training as well in planning for replacement for retiring staff, six months before their date of retirement. The Ipoh IRD also places great emphasis on staff training as a means of upgrading their effeiency and expertise. Apart from sending its staff to attend training courses that are arranged by the IRD Headquarters, the Ipoh IRD also organises scheduled in-house training courses. It also has a programme whereby in order to share and reap the full benefits of training, staff who have undergone training courses outside of the Ipoh IRD office, are required to hold similar training courses at the branch office.

In an effort to measure and improve productivity, the Ipoh IRD has also determined a standard output for each staff member in administering the 124,628 files of tax payers. Based on the standard output, the management is able to identify sources of problems and take preventive action. The management also introduced the *Golden Hour* work arrangement whereby all staff are required to be at their respective work stations between 8.00 a.m. and 9.00 a.m. except in the event of official duties outside of the office or in the case or emergencies. This is to facilitate dealings between management and staff whenever necessary.

# 6 ENHANCING ACCOUNTABILITY AND DISCIPLINE

Accountability and discipline are the basis for establishing a strong, clean and credible Civil Service. Civil servants who are entrusted with various powers and public resources are required to carry out their responsibilities efficiently and effectively in accordance with the relevant laws and regulations. In this respect, the Civil Service has introduced numerous programmes with the objective of making financial management honest and transparent. These programmes are as follows:

(a) improving financial management;

(b) enhancing performance measurement;

(c) strengthening the management of public complaints; and

(d) improving the management of conduct and disipline.

## STREAMLINING FINANCIAL MANAGEMENT

The Government views seriously the need for efficient and effective financial management to ensure proper use of public funds. The major objective is to increase accountability in financial management. This requires each public official to act in accordance with financial laws and regulations as well as ensure that public funds are managed soundly and prudently.

In 1996, the Government continued its efforts to improve financial management in Government agencies. These efforts focused on the following:

(a) financial management and accounts of Federal Statutory Bodies;

(b) implementation of the Standard Accounting System for Government Agencies (SAGA);

(c) implementation of the Modified Budgeting System (MBS) ;

(d) implementation of the Micro Accounting System (SPM);

(e) maintenance management; and

(f) follow-up action on the Auditor General's Report.

## Financial and Accounting Management in Federal Statutory Bodies

The Government has undertaken various measures to increase the level of managerial efficiency and accountability of all statutory bodies so as to ensure that public funds are utilised optimally to bring about the intended benefits to the public and the nation. One of the measures undertaken is the formulation of a guideline to expedite the preparation and tabling of the financial statements and annual reports of Federal Statutory Bodies. In addition, statutory bodies are required to prepare an annual summary report on their financial status and performance. The procedures and guidelines related to these changes are contained in Treasury Circular No. 15 of 1994 and General Circular Letter No. 1 of 1995.

Treasury Circular No. 15 of 1994 entitled "Guidelines on the Preparation and Tabling of the Financial Statement and Annual Report of Federal Statutory Bodies" requires the annual report and financial statement of Federal Statutory Bodies to be tabled to the Cabinet and Parliament within one year after the end of the financial year. However to enable the Cabinet to be informed earlier regarding their annual financial status and performance, the Government issued General Circular Letter No. 1 of 1995 entitled "Preparation of the Annual Summary Report on the Financial Status and Performance of Federal Statutory Bodies" which requires the summary report of the financial statement and performance of the statutory body to be tabled to the Cabinet within one month after the end of the financial year. The summary report is to be concise and not more than three pages in length. It should provide an overview of the performance of its financial management, efficiency and effectiveness of its operations, the quality of its outputs and a brief explanation about the overall performance of the agency during the financial year.

### The Standard Accounting System for Government Agencies (SAGA)

Steps were taken to extend the implementation of the SAGA accounting package to all statutory bodies. SAGA, which was

introduced to assist statutory bodies in the preparation of their financial statements speedily and accurately has already begun to show results. All the pioneer agencies implementing SAGA namely the Human Resources Development Council, the National Film Development Corporation (FINAS), the Langkawi Development Authority (LADA) and the Fisheries Development Authority have closed their 1995 accounts according to set deadlines.

In 1996, the implementation of SAGA was extended to 14 more statutory bodies, namely the Forest Research Institute of Malaysia (FRIM), Palm Oil Licensing and Registration Board (PORLA), Malaysian Examinations Council (MPM), National Population and Family Development Board (LPPKN), Malaysian Handicrafts Development Board (PKKM), Inland Revenue Board (LHDN), Employees Provident Fund (EPF), Labuan Development Authority (LDA), University Hospital, Agriculture University of Malaysia (UPM), South Kelantan Development Authority (KESEDAR), MARA and Kuala Lumpur City Hall (DBKL). To ensure systematic and uniform implementation, a guideline was issued through Development Administration Circular No. 1 of 1996 entitled "Guidelines for the Implementation of the Standard Computerised Accounting System for Federal Statutory Bodies-Standard Accounting System for Government Agencies (SAGA)". The implementation of this system will be extended in stages to all statutory bodies within the next five years.

## Implementation of the Modified Budgeting System(MBS)

The Modified Budgeting System (MBS) introduced in 1990, has been implemented by all ministries and departments since 1995. From 1997, the MBS will be extended to all statutory bodies that receive allocations from the Federal Government. These statutory bodies have already submitted their Programme Agreements for the 1997, budget year to the Federal Treasury. The Treasury will provide additional training to those statutory bodies which require assistance in implementing MBS.

Programme evaluation which is an important feature of MBS was first carried out in 1996. Special briefings on this subject have already been undertaken by the implementing agencies. In addition, INTAN has conducted courses related to programme evaluation with the aim of explaining the concept and principles of performance measurement and programme evaluation and their use as management tools.

## Implementation of the Micro Accounting System (SPM)

The Micro Accounting System was introduced through Development Administration Circular. No. 3 of 1992 entitled "Guidelines on the Implementation of the Micro Accounting System (SPM)". The objective of SPM is to enhance cost awareness in the public sector with regard to outputs and services provided.

SPM would be useful for planning purposes as it generates cost information on each programme, activity and output which could serve as a basis for allocating limited resources. SPM also enables better evaluation and control as the cost information generated could be compared to the budgeted costs, the standard costs of other organisations that produce similar outputs and with past cost records. Such evaluation enables corrective action to be taken as well as facilitates decision making. In addition, SPM will complement the implementation of MBS in improving accountability in financial management at the organisational level in particular and management in general.

All Federal agencies have already been given the necessary training by the Accountant General's Department and INTAN in implementing the manual system of SPM. To date 46 percent of the agencies have conducted in-house training on SPM. In 1996, personnel in as many as 70 Government agencies have been trained on the use of the SPM package although the level of implementation of SPM among agencies varies as can be seen from *Table 16*.

The SPM Project Task Force at the Accountant General's Department will continue to assist ministries, departments and agencies in providing training and consultancy sevices to implement and maintain SPM. The Task Force, as the SPM

## TABLE 16

### PROGRESS OF THE MICRO ACCOUNTING SYSTEM (SPM) IMPLEMENTATION

| SPM Implementation | Number of Ministries/ Departments | Percentage (%) |
|---|---|---|
| **Implementation of Pioneer Project** | | |
| 100% completed | 5 | 21 |
| 50% and more but less than 100% completed | 5 | 21 |
| Less than 50% completed | 8 | 33 |
| Have not commenced/planned | 6 | 25 |
| **Actual Implementation** | | |
| 50% and more completed | 4 | 17 |
| Less than 50% completed | 9 | 38 |
| Have not commenced | 11 | 45 |

Secretariat, will hold meetings with all ministries, departments and agencies whose personnel have received training. These meetings are for monitoring the implementation of SPM, identifying problems and providing consultancy services to the relevant agencies. Agencies will also be given advice on the utilisation of costing information obtained under the system.

## Maintenance Management

The Government issued General Circular Letter No. 1 of 1995 entitled "Maintenance Management - Establishment of a Planned System of Maintenance" with a view to strengthening the system of maintenance management in Government agencies.

The importance given to maintenance management reflects the Government's earnestness in enhancing discipline and accountability in all areas of management. The objective of maintenance management is to ensure that physical resources are always in reliable and good working order. This requires that maintenance of physical resources be carried out systematically so that they are always in an operational and reliable condition and do not breakdown easily.

Conceptually, the maintenance function consists of two important components:

(a) corrective maintenance through the repair or replacement of components of physical assets to enable them to function according to set standards; and

(b) preventive maintenance through the inspection, repair or replacement of physical assets according to a set schedule. Preventive maintenance reduces damage to physical assets and ensures that they are in continuously good working order.

It is important for management to focus on both these aspects to achieve the objectives of maintenance management. In this regard, the agency should implement the Planned System of Maintenance (PSM) to ensure a systematic approach to maintenance management and the development of a maintenance culture. The implementation of PSM requires that an agency undertake the following:

(a) appoint a senior officer to be responsible for the maintenance of assets;

(b) maintain an Assets Maintenance Register;

(c) establish a Maintenance Schedule;

(d) formulate a Maintenance Operation Plan; and

(e) evaluate the Maintenance Programme.

In ensuring that these measures are implemented, follow-up action in the form of evaluation by the Inspectorate Team from MAMPU and feedback through management meetings are undertaken.

## Follow-up Action on the Findings of the Auditor General's Report

Weaknesses in the Government's financial management system continue to draw comments from the Auditor General. Among the weaknesses highlighted are those related to budgetary management and control, stores and asset management, revenue collection and incidence of arrears, development projects that are not completed as scheduled as well as procurement and contract management. In recognising these weaknesses, various measures have been undertaken with the view to improving and upgrading discipline in financial management which include:

(a) enhancing the role and responsibilities of Controlling Officers in financial management;

(b) improving stores and asset management;

(c) improving revenue collection;

(d) upgrading the system of monitoring development projects;

(e) strengthening procurement and contract management; and

(f) upgrading knowledge and skills in financial management.

### *Enhancing the Role and Responsibilities of Controlling Officers in Financial Management*

The Auditor General's Report indicates that there still exist certain weaknesses in the financial management of Government agencies. These weaknesses include non-compliance with financial and accounting regulations; poor budgetary management resulting in over spending or shortfall in expenditure; non utilisation of allocated funds; funds obtained under virement not expended; additional allocations not expended; loss of Government monies; deviations and wastage as a result of damage to public property; poor maintenance and non-optimal

use of resources. In order to overcome these weaknesses, the Central Agencies have streamlined various rules and procedures pertaining to the financial management of Government agencies to assist them to upgrade and strengthen their respective financial management systems.

## Improving Stores and Asset Management

Various efforts were undertaken to improve the management of stores and public assets. These include the use of automation and information technology which were developed in an integrated manner with other systems such as procurement, stock control, stock verification, procedures for write-off and accounting systems. In addition, modernisation efforts directed at reviewing the rules and procedures pertaining to stores and asset management were also effected.

## Strengthening Revenue Collection

The management of revenue collection is an area often highlighted in the Auditor General's reports. In overcoming weaknesses in revenue collection, the Government will continue its efforts to streamline the system of revenue collection. It will be carried out through improvements to systems and work procedures, computerisation of revenue collection and the establishment of a stringent enforcement system.

## Improving the System of Monitoring Development Projects

Weaknesses in the implementation of development projects are often highlighted in the Auditor General's reports. These weaknesses include the failure of contractors to complete projects, projects not carried out to specifications and inefficient use of development fund allocations by Controlling Officers. In rectifying these weaknesses, efforts were undertaken to further improve the monitoring system through the Central Agencies' Integrated Information System (SETIA) and the Integrated Scheduling System (SIAP); preparation of up-to-date guidelines on planning for development projects; and the reactivation of the implementation coordination machinery at all levels of administration to undertake its tasks more effectively.

## Strengthening Procurement and Contract Management

The Auditor General's findings indicate that weaknesses in procurement and contract management arise from a lack of supervision and poor enforcement of regulations pertaining to contract management. The Treasury instituted a number of measures to strengthen procurement and contract management. These include increasing the minimum value for acceptance of tenders by Tender Boards; the preparation of guidebooks on procurement; providing greater flexibility to ministries and departments for purchases below RM1 million; and stern action on contractors who fail to fulfil the terms of their contracts.

## Upgrading Knowledge and Skills in Financial Management

The shortage of personnel who have experience and expertise in budgeting, accounting, stores and asset management is among the factors contributing to inefficiency in public sector financial management. Action to increase the level of knowledge and skills among personnel involved in the various aspects of financial management through appropriate training courses have been taken.

## Financial Management Award

The Government introduced the Financial Management Award under the Public Service Special Awards Category as an incentive to the respective Government agencies to enhance their financial management. In 1996, three agencies were selected to receive the Financial Management Award namely the Rubber Industry Smallholders Development Authority (RISDA), the Farmers' Organisation Authority (FOA) and the Federal Land Consolidation and Rehabilitation Authority (FELCRA).

## Rubber Industry for Smallholders Development Authority (RISDA)

Excellent financial management in RISDA is the result of continous efforts to futher enhance efficiency and effectiveness in that area. RISDA adopted the concept of Total Quality

Management (TQM) in its planning process and its budgeting system. The expenditure policy of RISDA focuses on core activities in line with national policy on the agricultural sector. The distribution of allocations is decided based on the poverty rate in a particular state and district.

RISDA has also formulated the RISDA Procurment Procedures which is used as a guide for the procurement of assets, supply of agricultural inputs, inventories and other office supplies. The increased efficiency of stores and asset management in RISDA was more evident after the establishment of the Quality Control Circle (QCC) known as SEPADU which successfully effected cost savings in the delivery of stocks from Central Stores to the Cost Centres in the various states using its internal transport facilities. The achievement resulted in cost savings of RM 137,000 per year in transportation cost as compared to the previous method of contracted transportation.

The Cost Centre Financial Accounting System and the Head Office Financial Accounting System are two components in the system derived from the budgeting, accounting, pay-roll, stores management and fixed assets network systems. These integrated systems have been in operation at both Headquarters and state office levels. Chapter D of the RISDA Financial Instructions requires that the management of records and revenue be undertaken on an accrual basis. RISDA also ensures all its subsidiaries adopt a similar system.

RISDA uses the Auditor's General's comments as a tool in addressing mistakes and ineffectiveness in its financial management. This has proven to be effective with fewer comments from the Auditor General from year to year. RISDA has successfully maintained a Clean Certificate from the Auditor General since 1995.

## Farmers' Organisation Authority

The Farmers' Organisation Authority (FOA) adopts a prudent and efficient concept of budgetary planning. Expenditure analysis

is carried out from time to time so as to ensure that the expenditure will not exceed the allocation for each program and activity. Both the Vote Book and Cash Book are maintained systematically in accordance with Treasury Instructions and the internal procedures of the Board.

The FOA's stores and asset management system is based on the concept of 'best value for money'. This has proven to be successful with the achievement of the Farmers' Mechanisation Centre in reducing the cost of maintaining under carriage harvesters as well as increasing the number of working days of the harvester.

The implementation of the Computer Integrated Accounting System(SPBB) also resulted in savings in operating costs amounting to RM 322,900 in 1994. Through this system, the Financial Statement and the Annual Report were prepared on time. The FOA received letters of appreciation from the Rt. Hon. Prime Minister and the Hon. Minister of Agriculture for its efficiency in this area. The FOA has had a Clean Certificate from the Auditor General for the 1992-1995 period.

## Federal Land Consolidation and Rehabilitation Authority (FELCRA)

FELCRA plans and prepares its budget by comparing its actual budgetary performance with the estimates. This is to ensure that the objectives of FELCRA's Five Year Plan are achieved effectively. Preparation of the budget begins at cost centres in the clusters and the states which then will channel their proposals to the Headquarters. The Vote Book and Imprest are among the control documents which are always updated.

FELCRA also formulated the FELCRA Procurement Manual as guidelines for all procurement of assets, inventories and other office supplies. The stores and asset management system is based on the control of stock method using the purchasing and consumption ratio.

The Auditor General's comments are always used as an important guide to further improve FELCRA's financial management. Monthly and yearly reports are published to report on the actual performance of FELCRA. The Financial Statement and Annual Report are published as scheduled. The commitment of FELCRA's top management in enhancing financial management has been acknowledged by the Auditor General whereby FELCRA has been granted a Clean Certificate since 1992.

FELCRA has also introduced a system of stock clearing or 'zero stock' since 1994. Under the system, stock levels at the end of the year are determined to ensure they are at a minimum or zero stock level. In controlling and monitoring the implementation of the programme, FELCRA has introduced the Self Auditing Programme (SAP). This system requires that the offices at the state and cluster levels provide feedback on a quarterly basis to the headquarters using a special format.

## IMPROVING PERFORMANCE MEASUREMENT

The Government's main objective in introducing performance measurement is to strengthen the implementation of improvement programmes in realizing the establishment of a well disciplined and results oriented Government machinery. Clear guidelines have been prepared to enable Government agencies to establish performance measurements at the organisational level. At the individual level, a comprehensive method of performance appraisal has been introduced under the New Performance Appraisal System.

### Performance Measurement at the Organisational Level

Performance measurement at the organisational level is aimed at ensuring that each programme and activity of the organisation is carried out efficiently and effectively in line with set objectives. For this purpose, Government agencies need to establish a comprehensive performance measurement system to monitor the implementation of their programmes and activities.

The implementation of the Modified Budgeting System (MBS) represents the beginning of a performance measurement system. Under the MBS, the performance of an agency in terms of quantity and quality of outputs as well as the unit cost of producing outputs is evaluated at the end of each budget year. This is to ensure that the operations of the agency are being monitored at all times so that its resources are utilised optimally and effectively. In 1996, steps were taken to further improve performance measurement through a reevaluation of the programmes of agencies implementing MBS. This exercise is being carried out by the Financial Management Systems Division of the Ministry of Finance.

## Performance Measurement at the Individual Level

In line with the Government's aim of establishing a performance and results-oriented management machinery, performance measurement at the individual level was introduced under the implementation of the New Remuneration System (NRS). The system provides for rewards and recognition of the individual based on individual performance achievement. The appraisal of individual employees is carried out more objectively using the Annual Work Performance Target (APT). In determining the APT, individual employees are required to determine their work performance standards in line with agency objectives. With this, the achievement of actual work output can be measured more objectively and individual employees will be more disciplined and accountable in performing the assigned tasks and responsibilities.

## Performance Measurement Award

Among the efforts to encourage Government agencies to adopt performance measurement more systematically is the introduction of a special Performance Measurement Award under the Public Service Special Awards. In 1996, three agencies were selected to receive the Performance Measurement Award namely, the Perak State Education Department, the Federal Land Consolidation and Rehabilitation Authority (FELCRA) and the Standards and Industrial Research Institute of Malaysia (SIRIM).

## Perak State Education Department

The Perak State Education Department formulated a clear vision under the slogan known as "Perak No. 1" and has set its course to make the vision a reality. The vision was widely disseminated through the various mass media. To date, it has not only been understood and internalised by its major target group of 30,000 teachers and 500,000 pupils throughout the State of Perak, but has also drawn the attention of parents and stakeholders.

Based on the vision, the Department has identified 4 programmes to be given priority namely curriculum, co-curriculum, social management and educational management and leadership. Each programme is planned very carefully with the appropriate focus on the needs of the customers by a think tank within the department. Each programme has its short and long term objectives so as to enable the management to measure the organisation's achievement and to activate necessary improvement efforts.

Besides the think tank which undertakes the planning and detailed implementation of programmes, the Department has a group of staff responsible for systematic monitoring and evaluation. Such efforts are undertaken through the "inside-out", "outside-in", " inside-in" and "outside-out" methods, regarded as an integrated monitoring approach to examine the achievement of each programme.

As of August 1996, the State of Perak has won 10 awards in the various events that it has participated. From the curriculum aspect, out of 22,000 pupils who are "3 M illiterate", for both primary and secondary schools in late 1994, about 9,000 pupils have since acquired 3M skills. Meanwhile, the achievement in the Primary Assessment Examination, Lower Secondary Examination and the Malaysia Certificate of Education examination has improved since five years ago. The slogan "Perak No. 1" clearly has boosted the spirit of the Perak education community to strive for the best.

## Federal Land Consolidation and Rehabilitation Authority (FELCRA)

FELCRA has core businesses which are clearly linked to national policy and are fully understood by all members of the organisation. The success of FELCRA is largely attributed to a leadership that is committed to accountability and responsibility as well as strong support from all members of the organisation. The organisation has both short term and the long term planning that is structured to suit the needs of customers and stakeholders. Plans with clear objectives act as the performance achievement benchmark.

Key performance indicators are crucial to the implementation of the programmes of FELCRA. A computerised system of performance indicators for various programmes at the state and cluster levels was utilised for close supervision and to facilitate management decision making.

The major impact of FELCRA's programmes lies in the ability to change the mind set of the rural community towards agricultural activities which have long been regarded as self sufficient activities. FELCRA has succeeded in convincing the rural community that agricultural activities can be very lucrative if planned carefully and developed effectively.

## Standards and Industrial Research Institute of Malaysia (SIRIM)

SIRIM has clearly defined its direction in assisting the nation to expedite the process of industrial growth based on capital and sophisticated technology. From the planning aspect, SIRIM has a corporate plan which outlines the strategy and action plans that need to be implemented in line with the external and internal environmental changes. SIRIM has outlined five short term strategies to upgrade its role as a close partner of the industrial sector. Among the strategies are the establishment of an effective and progressive planning system, the development of a national measurement system, the development of quality standards and the transfer of technology to local industries.

Monitoring efforts on the implementation of the programme are done at four levels, that is the unit level, section/centre level, divisional level and corporate level. The relevant monitoring information is derived from management meetings, dialogue sessions and public complaints. In ensuring that the existing monitoring system is effective, control activities are undertaken through management meetings, budgeting systems and evaluation by the Internal Audit Unit.

SIRIM uses various approaches and techniques to evaluate the effectiveness of its programmes and services. Dialogue sessions with customers is seen as the most effective approach. The effectiveness of its programmes is also evaluated through public complaints channeled through the mass media. Internal Audit reports and management meetings. SIRIM uses bench-marking with the private sector especially IBM and Hewlett-Packard in evaluating the effectiveness of its critical services.

## STRENGTHENING THE MANAGEMENT OF PUBLIC COMPLAINTS

Feedback through public complaints is a general indicator of the quality of services rendered by Government agencies. Based on these complaints, weaknesses and deficiencies can be identified and more effective corrective and preventive measures can be instituted.

The Civil Service has introduced a public complaints management system to deal with the problem of dissatisfaction of the public with the services provided by Government agencies. This system was formulated on the basis of the following principles:

    *(a)* all complaints can be settled immediately, correctly, fairly and safely;

    *(b)* complaints can be managed confidentially and without any bias;

    *(c)* recovery action is fair, objective and transparent; and

    *(d)* an Annual Report on public complaints is prepared and distributed for general information.

The Government has already launched Development Administration Circular No. 4 of 1992 entitled "Managing Public Complaints". This circular not only helps to strengthen the structure of the Public Complaints Bureau, but also helps in upgrading the effectiveness of the public complaints management mechanism. The Circular enables the Bureau to take swift action and deal more effectively with public complaints, particularly in relation to the following:

*(a)* public complaints about dissatisfaction with Government administration that is seen to be unfair, non-compliance with existing laws and regulations including misconduct, abuse of power and mismanagement;

*(b)* investigate public complaints and forward serious cases along with recommendations to the Permanent Committee on Public Complaints; and

*(c)* take follow-up and follow-through action on all decisions made by the Committee especially those involving efforts to improve administrative efficiency in Government departments and agencies as well as disciplinary action against Government officers proven to have committed wrongdoing in the course of carrying out their duties.

### Initiatives of the Public Complaints Bureau

The Public Complaints Bureau continued to upgrade its efforts to ensure the effectiveness of the public complaints system. This included measures to facilitate the lodging of complaints by the public as well as ensuring swift action on complaints.

In 1996, the Bureau gave priority to the Circuit Programme and increased exhibition sessions with the objective of improving public confidence towards the Public Complaints Bureau as a focal point for public complaints. The Circuit Programme provides the public with the opportunity to lodge complaints

personally with officers of the Bureau who man the Circuit Stations in any of the relevant locations. In 1996, 117 Circuit Programmes were undertaken, especially in small towns, rural areas and shopping complexes compared with 96 Circuit Programmes in 1995. In shopping complexes, exhibitions were held jointly with the Anti-Corruption Agency, in an effort to explain the functions and duties of both agencies to the public. 776 members of the public submitted complaints under the Circuit Programme whereby 545 files were registered for investigation. The Bureau also provided advisory services to 231 members of the public on queries and problems relating to public services.

Up to November 1996, the Bureau received 3,847 complaints from the public. Of this number, 1,749 cases (45%) were found to have basis and were investigated. The Bureau is committed to resolving cases within a period not exceeding three months. The benchmark set is two months for a case to be resolved, failing which, it shall be referred to the Deputy Director General of the Bureau for action. Cases not resolved after three months are referred to the Director General of the Bureau for attention and action. *Table 17* shows the rate of resolution of public complaints by the Bureau for the January-November 1996 period.

TABLE 17

### RATE OF RESOLUTION OF PUBLIC COMPLAINTS JANUARY - NOVEMBER 1996

| Total No. of Investigations Conducted | Rate of Resolution | | | | Total No. of Completed Cases |
|---|---|---|---|---|---|
| | 1-2 weeks | 2 weeks - 1 month | 1 - 3 months | More than 3 months | |
| 1749 | 95 | 150 | 501 | 206 | 952 |
| Percentage (%) | 10.01 | 15.8 | 52.6 | 21.6 | 54.4 |

Complaints are also channelled through the Office of the Chief Secretary to the Government. In 1996, the Office of the Chief Secretary forwarded 43 cases of public complaints to the Bureau for investigation. These involved a variety of matters such as the issue of disciplinary proceedings amounting to dismissal; delays in obtaining approval for hiring foreign housemaids; the shutting down of Government services during festive seasons; abuse in the sale of used Government vehicles; and various cases relating to applications for land and permits.

The success of the Bureau in resolving these cases is due to 2 major factors. Firstly, all Assistant Administrators in the Bureau were redesignated as Assistant Investigation Officers. This move enabled them to investigate non-complex cases. Secondly, the Bureau's officers were now required to visit both the agencies involved as well as the places where the complaints were lodged to assess the actual status of the problem relating to the complaint. Besides this, the Bureau's officers are also encouraged to take photographs of the incident or circumstances regarding the complaint so as to assist in the decision making process.

## Permanent Committee on Public Complaints

The Permanent Committee on Public Complaints is a high level committee at the officers' level responsible for ensuring that public complaints are dealt with fairly, efficiently and with the full cooperation of all parties. This Committee is chaired by the Chief Secretary to the Government with the Director General of Public Service, the Director General of the Anti-Corruption Agency, the Senior Deputy Secretary General of the Prime Minister's Department and the Director General of the Malaysian Administrative Modernisation and Management Planning Unit (MAMPU) as members. The Bureau acts as the Secretariat to the Committee.

All complaints of a serious nature that are investigated by the Bureau are forwarded to the Committee for its consideration and decision. The Bureau takes follow-up action on all decisions

members of the Disciplinary Boards and their secretariats at the state level. Until September 1996, 12 courses on disciplinary matters attended by 447 participants were held at the state level. Special courses were also held for trainers in the field of disciplinary procedures whereby 45 trainers from all states were giving training. At the same time, 5 similar courses at the departmental level involving 256 participants were held;

*(b)* increasing the level of awareness among public sector personnel about the importance of maintaining discipline. Up to August 1996, 25 awareness lectures attended by 944 officers and staff from ministries, departments and other Government agencies were conducted. Through these lectures, officers and staff became more aware and better informed about disciplinary offenses and the implications of breaching disciplinary rules and regulations;

*(c)* making heads of departments take greater control over the discipline of their officers and staff. This is in line with the decision of the Government to delegate the powers pertaining to disciplinary matters including that of dismissal and demotion to heads of departments. This message to heads of departments was undertaken through exhortations, advice and reminders contained in speeches of top management at meetings and seminars from time to time;

*(d)* updating disciplinary rules and regulations to suit current requirements. As a result of such efforts, a new service circular on managing discipline, namely Service Circular No. 5 of 1996 entitled "Applications by Officers To Participate In Political Activities" was issued. This Circular replaces Service Circular No. 11 of 1971 and Service Circular No. 30 of 1974. The new Circular explains and provides guidelines to civil servants particularly those in the Support Group as to how to apply to participate in political activities and also included the relevant application forms;

(e) providing serious attention to public complaints about disciplinary cases involving civil servants. Heads of departments were requested to give their full attention in resolving such cases. Such a measure has helped to expedite the resolution of complaints received by the Public Complaints Bureau;

(f) ensuring that disciplinary action is taken against officers and staff who breach discipline. As a result of the restructuring of the Disciplinary Boards and the heightened level of awareness and understanding among heads of departments, increasing attention has been given to the management of disciplinary action; and

(g) carrying out inspections on departments with a high rate of disciplinary cases, particularly cases that have been referred to the Anti Corruption Agency. These inspections are conducted by officers from the Public Service Department. At the same time, specific discussions are also held with the relevant departments having such cases.

## Disciplinary Action Involving Cases Referred by the Anti-Corruption Agency

Between 1 August 1992 and 31 Mac 1996, a total of 445 cases were referred to Heads of Departments by the Anti-Corruption Agency (ACA). Of this number, 345 were resolved with 220 cases involving disciplinary action against the individuals concerned. 44 cases where the individuals concerned were discharged of any breach in discipline by the Disciplinary Authority, 29 cases involving individuals who were given reprimands, 5 cases involving termination of service and 47 more cases for which no further action was required.

For the 220 cases involving disciplinary action, the punishment involved warning (61 cases), reprimand (47 cases), warning and fine (20 cases), warning and reprimand (18 cases) and fine (18 cases) as shown in *Table 18*.

## TABLE 18

# BREAKDOWN OF DISCIPLINARY PUNISHMENT CASES

| Type of Punishment | Number |
|---|---|
| Warning | 61 |
| Reprimand | 47 |
| Fine | 18 |
| Warning and Reprimand | 6 |
| Warning and Fine | 20 |
| Warning and Deferment of Salary Increment | 13 |
| Warning and Surcharge | 2 |
| Reprimand and Fine | 18 |
| Fine and Deferment of Salary Increment | 1 |
| Deferment of Salary Increment | 4 |
| Reprimand and Deferment of Salary Increment | 1 |
| Reprimand, Fine and Postponement of Salary Increment | 2 |
| Salary Reduction | 8 |
| Warning and Salary Reduction | 1 |
| Demotion | 2 |
| Dismissal | 16 |
| **Total** | **220** |

Based on the above statistics, 345 cases (75.8%) were resolved while action is pending on another 110 cases (24.2%). This achievement shows the seriousness of the relevant parties in resolving cases referred to them by the ACA. As for the cases that have yet to be resolved, most of them are cases that have recently been referred to the Heads of Departments.

*The Rt. Hon. Tan Sri Dato' Haji Muhammad bin Haji Muhammad Taib, Menteri Besar of Selangor having a discussion with Datuk Abdul Halim bin Ali, Chief Secretary to the Government, during the latter's visit to Selangor on 16 November 1996. Seated to the left of the Chief Secretary is Dato' Dr. Muhammad Rais bin Abdul Karim, Director General of MAMPU while to the left of the Rt. Hon. Menteri Besar are Dato' Paduka Dr. Muzlan bin Ahmad, Director General of Public Service and Dato' Hashim bin Meon, State Secretary of Selangor.*

*Tan Sri Dato' Dr. Abu Bakar bin Dato' Suleiman, Director General of Health viewing exhibits at the quality exhibition held in conjunction with the Medical, Health and Dental Services 1996 Q Day celebration at the Dewan Jubli Intan, Batu Pahat on 20 April 1996*

*Dato' Shahrom bin Haji Abdul Majid, Director General, Department of Fisheries presenting Excellent Service Awards at the Department's Q Day celebration on 21 October 1996*

*Dato' Muhamad Saib, Deputy President of the Kuantan Municipal Council speaking at the launching ceremony of the ISO 9000 Documentation Course at the Kuantan Municipal Council on 27 August 1996*

*Dato' Dr. Muhammad Rais bin Abdul Karim, Director General of MAMPU welcoming H.E. Sir Robin Butler, Secretary to the Cabinet and Head of the Home Civil Service, United Kingdom during his visit to MAMPU on 10 September 1996*

*Tuan Haji Md. Nayan bin Salleh, Health Inspector at the Kerian Health Services Centre receiving the Silver Medal Diploma Certificate from the Executive Officer in charge of the World Invention Competition on 22 April 1996 in Geneva, Switzerland*

*MAMPU's Inspectorate Team, led by the Inspectorate Director, Puan Nazariah bte Mohd. Khalid, visiting the Balok Health Services Centre, Kuantan, Pahang to assess the level of implementation of Development Administration Circulars at the Centre*

*The Farmers' Organisation Authority Choir led by Encik Shahidan bin Zakaria performing at the 1996 Civil Service Quality Awards presentation ceremony on 7 November 1996*

# III

# OVERALL
# ACHIEVEMENT

# III

# OVERALL ACHIEVEMENT

The progress of reform efforts in the Civil Service is followed through and monitored from time to time. One of the approaches used is the Inspectorate System which was introduced in 1991 to examine, monitor and evaluate the progress, improvements and innovations by Government agencies and report the findings to top management in the Civil Service. The Inspectorate visits identify problems faced by agencies in implementing guidelines, particularly the Development Administration Circulars (DACs), and procedures issued by the Government. To enhance the effectiveness of the monitoring system, information on administrative improvements introduced by an organisation were disseminated to other organisations so that the benefits are shared on a wider scale.

Until the end of December 1996, the Inspectorate Division of MAMPU had undertaken 102 visits involving senior officers in ministries, Federal departments and statutory bodies as well as Federal officers in the states. During visits by the Inspectorate Division, consultancy services, where necessary were given to agencies to assist in implementing DACs and other administrative circulars more systematically and effectively. Overall, implementation of DACs and improvements introduced by Government agencies in 1996 were found to have shown greater progress than previous years. However, there is still room for improvement in efforts to upgrade the quality and productivity of services in consonance with the principles of Total Quality Management.

## TOP MANAGEMENT SUPPORT

Implementation of DACs in Government agencies has entered its sixth year. A majority of the Government agencies that have implemented the DACs have shown encouraging progress with regard to their administration. This achievement is the result of the commitment and support as well as participation of all the parties involved, particularly that of top management in mobilising and guiding the quality mechanisms in agencies. Top management needs to participate and support efforts towards improvement and innovation in providing quality services to customers.

Inspectorate visits in 1996 found that agencies which were implementing the DACs and other administrative circulars properly were those whose quality and productivity management structures were headed by the respective top management. For example, the State Secretary of Perak reorganised the Secretariat's quality and productivity management structure by setting up a Steering Committee on Quality and Productivity with himself as the chairman and all heads of departments and district officers as members of the committee. In addition, a Technical Committee on Quality and Productivity, chaired by the deputy State Secretary, was also set up. All Government departments in Perak were required to submit feedback reports on a regular basis to the State Secretary's Office. The State Secretary himself monitors the progress of the implementation of DACs during his visits to the districts and local authorities.

In a number of agencies, top management was found to be directly involved in the quality programmes of agencies. At the Human Resource Development Council, Ministry of Human Resources, the Director General chairs the Committee on Implementation of DACs. The Director of the Royal Customs And Excise Department, Pulau Pinang chairs the Steering Committee on Quality and Productivity. Likewise, the Coordinating Committee on Quality and Productivity, Water Supply Division is chaired by the Director of the Division.

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Besides this, some agencies use their management meetings as a forum to discuss quality and productivity improvement programmes. For example, the Drainage and Irrigation Department (DID) management meetings, chaired by the Director General, is also the steering committee where quality and productivity are permanent agenda in their meetings.

There is clear evidence of commitment at top management level for quality enhancement in some agencies. The Federal Secretary's Office, Sarawak has introduced the concept of Walk-In-Time. This concept is likened to a pre-meeting session of heads of departments about to deliberate on a particular issue, 15-30 minutes prior to the commencement of the meeting proper, to freely exchange views and thoughts towards finding solutions to the issues that are to be discussed. This concept provides an opportunity for heads of departments to exchange views on issues in a free and relaxed atmosphere.

The Director of the Health Department, Sarawak practices the concept of Management By Walking Around. Under this concept, the director makes frequent visits to offices within his jurisdiction. During these visits, the medical officers in-charge, are required to brief him on administrative problems, achievements and plans to further improve the health services. A report will be prepared regarding issues discussed including actions necessary to further enhance the performance of the staff in hospitals and health clinics.

## STRATEGIC QUALITY PLANNING

Effective strategic planning is an important factor influencing the ability of the agency in terms of delivering quality outputs. Strategic planning action such as the analysis of the internal and external environment, formulating visions and organisational objectives including identifying activities for improvement will enable an agency to clearly understand its clients, prioritise their needs, and ascertain the types of output or services that are required.

The Inspectorate visits found that Government agencies arrive at strategic plans through various methods such as brainstorming sessions, management retreats, annual conferences and workshops as well as special seminars.

The Ministry of Land and Cooperative Development, for example holds Annual Strategic Planning Workshops with the aim of evaluating its vision and objectives. In addition, the workshops also discuss views proposed by the Minister and Deputy Minister and others on current issues related to the functions of the Ministry. The Division of Legal Affairs, Prime Minister's Department holds annual seminars to examine and review its mission, objectives, action plans and annual work targets for its staff. The Forestry Department of Peninsular Malaysia, in the course of its organisational restructuring drew up a strategic plan formulating a Manual on its Vision, Mission, Objectives and Client Charter.

The Office of the State Secretary of Perak designed a strategic plan consisting of five development plans that is the Industrial Development Plan, the Tourism Development Plan, the Human Resources Development Plan, the Infrastructure Development Plan and the Bumiputra Trade and Industrial Development Plan for the state until 2005. The Perak State Education Department has started a programme called 'Perak No. 1' which aims to enhance excellence in four areas, namely curriculum, co-curriculum, management and leadership including communication amongst teachers and students. The Economic Planning Unit, Prime Minister's Department has also prepared a paper entitled *Economic Planning Unit in the year 2000* which outlines the directions for the unit for the next five years. The Royal Customs And Excise Department has designed strategic plans through the Five-Year Plan (1996 - 2000) on the basis of the 3P concept, that is, people, process and partnership. This plan is a continuation of its First Five-Year Plan which focused on three development aspects namely human resource development, physical development including systems development and legal aspects. The Royal Customs And Excise Department, Sarawak designed the Sarawak Customs Integrated

Development Plan 1996 which holds information on the achievements and plans for the department for the coming years, specified according to programmes, divisions and stations.

## CUSTOMER PRIORITY

Customer priority by Government agencies is a new approach in providing services. Various measures in this direction have been introduced. Among them include providing conducive space for waiting, encouraging feedback from the public to further improve services, monitoring and enhancing the implementation of the client's charter and having suggestion boxes. All suggestions received are given due attention by the officers at the highest level.

An excellent example of customer priority is the holding of Peoples' Day by the Perlis State Government every Saturday to facilitate the public to air their views, opinions as well as make complaints. On this day, the public can raise relevant complaints in the course of conducting other transactions at Government offices. The Inspectorate Division found that a high proportion of heads of departments have appointed senior officers in their respective departments as Liaison Officers to handle public complaints. All public complaints received, whether from district or state levels, are forwarded to the head office level, to be discussed at the highest management-level meeting as a priority item. All cases reported were attended to within a short span of time and there was no backlog.

The Johor State Health Department has assigned four officers to scan local newspapers to monitor complaints from the public. Public complaints are discussed during scheduled morning meetings. Besides this, suggestion boxes complete with relevant forms are made available to the public. At the Manpower Department, the Client's Charter is undergoing a phase two revision with the objective of improving norms relating to the speed of service provision. The department implements a system whereby written warnings are given to the staff if the time

period specified in the charter is not complied with. To expedite information transmission, the department has its own homepage as a channel for feedback and information dissemination to clients and other parties.

The Ministry of International Trade and Industry (MITI) as a continuous effort to improve services to customers, reviews its Client's Charter once every six months. MITI also implements multi-service counters to enable customers to obtain the services they require at the same counter. This is in contrast to the previous situation where the counters for various services were at the different floors where the divisions involved were located.

The improvements for the customers are not limited to the office environment aspect. In 1996, more departments undertook efforts to beautify the vicinity and surrounding areas of their offices through attractive landscaping. Such actions enhanced the public image of the departments for they are seen as organisations that value their customers.

Several agencies have continued their cooperation with the private sector, including giving priority to holding dialogue sessions and setting up special working committees to smoothen work processes and save time on services. For example, the Malaysia Incorporated Consultative Panel at the Ministry of Entrepreneur Development has held several dialogue sessions with transport operators to overcome issues related to the licensing of commercial vehicles.

## TRAINING AND RECOGNITION

Trained and skilled personnel is an organisation's important asset that contributes to quality and productivity enhancement. Training in relevant fields forms the basis for efficiency and professionalism to carry out job-related tasks. Skilled workers reduce problems or mishaps and ensure quality output. Training programmes also assist the management to assimilate and inculcate positive values among its work force to establish a

strong work culture. In addition, training is also an important criterion for management in deciding on the placement of personnel according to the requirements of the posts held.

A high proportion of the agencies visited were found to have given appropriate attention to training of their staff whether involving specific work related training or training related to DACs and other administrative circulars. On this matter, a large number of agencies have formulated annual training programmes. Such programmes include training in various fields requiring specialised skills or expertise. These are scheduled in the form of courses, workshops, seminars and lectures. They may be sponsored by local or foreign organisations, or alternatively may be organised in-house. Attachment training jointly organised with external organisations as well as on the job training are also held besides study visits to high performing agencies.

The Selangor Health Department has established a Human Resources Development Committee, and a Committee on Further Education to plan and identify training needs for its personnel to enhance their knowledge and understanding to provide quality service. In this regard, the Department has designed an Implementation Action Plan underlining strategies and responsibilities for conducting training including preparation of a Training Calendar for 1996 and 1997 to achieve the objective that within two years, each member of the staff will undergo the relevant training as planned. The Water Supply Division, Public Works Department has a training plan for its officers based on the identification of priority skills required to ensure quality work. Following this, a Training Manual was prepared covering fields of training required, efficiency analysis model, skill levels, performance after training, technical competency matrix by units and other technical training aspects. The Royal Customs and Excise Department, Pulau Pinang has designed an annual Training Programme that provides at least one training stint a year for each staff member. All other heads of stations are required to draw up a training programme based on the training programme of the Royal Customs and Excise Department, Pulau Pinang.

One of the processes in training and learning is the method of job turn-around. Besides giving staff the opportunity to handle jobs and responsibilities of a varied nature, knowledge and work experience can be enhanced by doing different jobs. Job turn around helps personnel overcome the problem of boredom from doing the same job continuously, misuse of power resulting in corruption and other deviations. On the whole, Government agencies providing counter services practice job turn-around among front line staff once in a period of 2 to 3 years. Among the agencies practising job turn-around include the Royal Customs and Excise Department headquarters and its branches in Pulau Pinang, Sabah and Sarawak, MITI, Manpower Department, Auditor-General's Office, Town and Country Planning Department and the Department of Veterinary Services.

In appreciation of the contributions of staff and work teams in providing excellent work performance, a large number of Government agencies have given recognition and appreciation in various forms, besides the annual Excellent Service Awards given by the Government. The Drainage and Irrigation Department gave recognition to its officers and staff and work teams through awards such as the JPS Award Of Innovation, Best Office Award, Award For Excellent Drainage Scheme, Excellent Irrigation Scheme Award and Excellent Land Work Award. The Labuan Development Authority presented special commemorative awards to officers who obtained high scores in their performance evaluation but were not included in the group receiving the Excellent Service Award. The Ministry of International Trade and Industry introduced a special Most Industrious Worker Award for its staff and officers.

## TEAM SPIRIT

The practice of team spirit building by heads of departments as identified by Inspectorate visits, revealed that all department heads had given special emphasis to efforts to establish the spirit of teamwork in their departments. Among the programmes formulated include the establishment of Quality Improvement

Work Groups, Quality Assurance Groups, Task Forces and Quality Work Groups. In many Government agencies, Family Day, Open Day, inter-divisional, inter-unit and inter-state games, PUSPANITA functions, Annual Dinner and a variety of social and religious functions have become permanent activities. In addition, various programmes have been initiated internally by management to strengthen team spirit in their respective agencies. Among the initiatives undertaken on a continuous basis include the organization's awareness campaigns through annual speeches, Q-Day speeches, speeches during social and official functions, in-house forums and other gatherings and activities organized by the social and welfare clubs of the agencies. Through such close working relationships, work assignments can be expedited and made more simple. Team spirit facilitates finding solutions to complex problems. It also instills creativity and innovativeness. In fact such efforts result in the upliftment of morale and job satisfaction as every personnel has a chance to make a meaningful contribution according to his or her respective skill and experience. Members of the organization would develop a sense of involvement in the development of an organization that is based on excellence and would thus evoke the commitment required for optimal work output.

The Department of Health, Negeri Sembilan (DOHNS) organises annual dinners that involve all departments under its management. It also holds Family Day outings away from the office, in locations such as Port Dickson and Air Keroh, Malacca. In addition, the DOHNS also organizes the monthly assembly every Saturday of the second week to include ceremonies such as special messages by the Director, the recital of prayers, flag hoisting, singing songs and *gotong royong* activities to clean and spruce up the office surroundings. The Royal Customs and Excise Department celebrated the World Customs Day and also organized annual games and competitions at the state and national levels.

In addition, efforts that involve officers of all levels at brain-storming sessions and during reviews of the Client's Charter reflect the democratic process in determining the direction

and objectives of organisations. Through such efforts all personnel involved in the discussions will feel that their views and opinions have been taken into account. This has formed an important strategy for inspiring team spirit among members of an organization.

## PERFORMANCE MEASUREMENT

The Government emphasises the importance of results-oriented management. A systematic and comprehensive system of performance measurement is very important to ensure every programme and activity is implemented efficiently and effectively and in accordance with the objectives determined. The reason for this is that every Government agency is established with definite aims and functions and is provided with resources that are limited. Information derived from performance measurement will facilitate agencies in planning and evaluating the efficiency in the utilisation of resources and effectiveness of programmes and activities carried out to fulfil set objectives. Performance indicators represent an important component in performance measurement. As such, every agency should determine suitable indicators for each programme and activity that is carried out. To establish an effective performance evaluation system, government agencies have to take steps to ascertain the characteristics of quality outputs that need to be controlled, determine objectives or quality standards that are required, establish mechanisms for data collection and prepare feedback channels.

Generally, most of the agencies visited have taken preliminary steps to determine comprehensive performance indicators for each programme and activity. Among the indicators for performance measurement are quantity, time taken, output and costs. A large number of agencies visited have set up indicators based on annual work targets, the Modified Budgeting System, the Micro Accounting System and the Guidebook on Management and Quality Enhancement. For example, the Valuation and Property Services Department had prepared the Guidelines on the Method of Measuring the Allocation of Functions and Responsibilities of Technical Officers. This system uses

weightage and categorises technical staff by various classification for facilitating the evaluation process for individuals, divisions and organisations.

## QUALITY ASSURANCE

The principle of quality assurance by Government agencies aims to meet customer satisfaction so that they constantly receive quality outputs and services. Quality assurance aims to prevent the occurrence of quality-related problems in outputs produced and services rendered through actions which are planned and executed in a systematic manner. This aims to produce outputs that are defect-free or error free since defects cause customer dissatisfaction and tarnish customer confidence in the agencies. To achieve quality assurance, Government agencies have to implement quality controls, output planning, distribution of resources according to optimum productivity and provide training to people.

Government agencies have used various methods to ensure quality services and products. Among the steps taken include implementing strategies of 7Q, publishing guide books on the management of quality and productivity enhancement, providing guidelines on work systems and procedures, improving work processes, identifying performance indicators, setting up inspection units, upgrading training, using Work Action Forms and other forms for managing assets, capital, inventory and supply of office equipment including supervision and monitoring through meetings.

The Ministry of Entrepreneur Development has set up a flying squad for surprise checks on its divisions to ensure activities are being carried out according to policy objectives, procedures and directions that have been ascertained. The Royal Customs and Excise Department has designed the Customs Standard which provides guidelines for efficient, fast and quality services that meet customer needs. The Standard was formulated at a workshop attended by Customs officials from all the states.

Various agencies visited by the Inspectorate Division have implemented quality principles and standards aimed at obtaining the MS ISO 9000 certification. Among them are the Drainage and Irrigation Department and the Water Supply Division, Public Works Department who have implemented pilot projects in their efforts to gain ISO 9002 certification.

## ASSIMILATION OF POSITIVE VALUES

The excellent performance of an organisation does not depend solely on the skills and expertise of its employees, efficient and effective work procedures and the use of sophisticated technology. The performance also depends on the personal qualities of the members of the organisation. Towards this end, strategic measures to assimilate positive values and work ethics among civil servants were introduced. The underlying objective of assimilating positive values in public administration is to mould and develop responsible, dedicated and disciplined public sector personnel. This will create a climate of respect, develop team spirit and forge closer rapport among personnel in ensuring a smooth administration that will help enhance quality and productivity.

The core values that have to be internalised so as to form part of the work culture in the Civil Service include trustworthiness, responsibility, dedication, sincerity, moderation, accountability, integrity, patience, cooperation, discipline, courtesy, loyalty, time-consciousness as well as the avoidance of the abuse of power and position.

Training has been extensively used to increase awareness of positive values among all levels of public sector employees. Programmes conducted at training institutions and at departmental levels incorporate the teaching of positive values and work ethics. Various public institutions are directly involved in providing training on positive values to employees of public sector agencies. These institutions include the National Institute of Public Administration (INTAN), the Islamic Affairs Division

of the Prime Minister's Department (BAHEIS), the Malaysian Institute of Islamic Understanding (IKIM) and the National Civics Bureau, Prime Minister's Department.

In increasing the awareness and understanding of positive values among all levels of public sector employees, measures such as lectures and explanatory sessions and speeches by leading personalities have been undertaken from time to time. Heads of departments are responsible for taking the lead and initiative as well as in planning and influencing members of their organisation to practice excellent work ethics.

Another approach towards increasing awareness and internalising positive values and work ethics is the provision of relevant reading materials. Various agencies have displayed initiative in this area by holding scheduled reading sessions and discussions on books and journals pertaining to positive values. A majority of Government agencies have published their respective departmental bulletins for internal distribution containing special sections with information relating to positive values and excellent work culture.

Initiatives by Government agencies to introduce various programmes towards administrative reforms and innovations show that they are alert and prepared to institute changes to enhance the effectiveness of their respective agencies. Their commitment towards efforts to enhance quality services to meet customer needs is increasingly evident. This includes efforts to improve human resource development, work environment as well as systems and procedures in line with the Total Quality Management concept. Looking at the level of commitment and achievement thus far, the Civil Service fervently believes that efforts to upgrade the culture of excellence will be further strengthened and mobilised in the coming years.