

INTRODUCTION

The Malaysian Public Service has been entrusted with the twin tasks of socio-economic development and nation-building. In ensuring that these tasks are carried out efficiently and effectively, the Government has introduced a successive series of administrative reforms pertinent to the nation's stability and growth. These reforms encompass structural changes, changes in management technologies, changes in skills, knowledge and attitudes, and changes in systems and procedures. They also cover the broad areas of public administration, general management, financial management and accounting. In 1966 the Government established the Development Administration Unit (DAU) as a centre for administrative reforms and in 1972 the National Institute of Public Administration (INTAN) was set up to provide training for the development of skills and expertise of public sector employees. The seventies witnessed a renewed sense of urgency in administrative reforms following the implementation of the New Economic Policy in 1971. The Federal Establishment Office was reorganised to form the Public Services Department which is responsible for the development and management of public sector personnel. The Malaysian Administrative Modernisation and Management Planning Unit (MAMPU) was also set up in 1977 under the Prime Minister's Department to initiate administrative changes and innovations to the Public Service. The economic recession of the early Eighties prompted the Government to implement measures to ensure better resource management. Some of the major measures undertaken include the down-sizing of the Public Service through privatisation, the introduction of the Malaysian Incorporated concept, and the inculcation of positive values and work ethics. Improvement efforts were also undertaken to enhance the quality of counter services as well as to streamline systems and procedures. At the same time, the Government also gives equal emphasis to the issue of public accountability and better management of government assets.

Administrative reforms implemented by the Government gained further momentum in the last few decades. The dawn of the 1990s can in fact be described as significant watersheds in the nation's history. It marks the eventful completion of the New Economic Policy whose resounding success convinced the Government of the need to formulate another new policy to steer the country into the 21st century, thus the birth of the National Development Policy. Another significant event was in February 1991 when the Rt. Hon. Prime Minister unveiled his *Vision 2020*. The proclamation of Vision 2020 as the national aspiration to attain "a fully industrialised and developed nation status" within the next three decades ushers in a new chapter in the nation's continuing surge for greater heights in development. The realisation of this visionary goal, however, is predicated on the ability of the country and of future Malaysian generations to meet the challenges of creating a

united and confident nation, one that is infused with strong moral and ethical values, and living in a society that is democratic, liberal and tolerant, caring, economically just and equitable, progressive and prosperous, and in full possession of an economy that is competitive, dynamic, robust and resilient.

Against such a backdrop providing the framework for future policy-making, the Public Service faces several challenges in the decades ahead. These challenges can be summarised as follows:

- the development of an administrative system that is mission-oriented and has the inherent ability to focus on effective delivery of quality services;
- the development of an institutional capacity to promote and sustain a climate of creativity and innovation;
- the ability to respond effectively to the complex and rapidly changing environmental demands; and
- the development of quality human resources to facilitate the transformation of Malaysia into a modern industrialised and fully developed nation.

To meet these challenges, the Malaysian Public Service has taken concerted efforts to introduce changes which cover a wide range of administrative improvements, the most notable of which is the adoption of a new mind-set and a new paradigm of thinking and doing things. The aim of these changes is to increase the capacity, capability and motivation of the work force to meet the challenges of rapid development in a constantly changing environment. The ultimate goal is to create an excellent Public Service. The Public Service is of the firm belief that the attainment of excellence hinges on the existence of a good value system. Cognisant of this fact, the Public Service has identified seven fundamental values deemed necessary for the attainment of an excellent Public Service. These are *quality, productivity, innovativeness, discipline, integrity, accountability, and professionalism*. The assimilation of these values will contribute towards maintaining an efficient, effective, clean, trustworthy and disciplined Public Service that is also forward-looking and market-driven. It will also enhance the credibility of the Public Service in the eyes of the public and stake-holder. The inculcation and internalisation of these values are effected through the implementation of administrative reforms carefully planned and executed by the Government.

Quality

With the realisation that the only way for a nation to gain and sustain a competitive edge in the international trade arena is through the production of quality goods and

services, the Government launched a nation-wide *Excellent Work Culture Movement* in November 1989. The movement stresses quality as the foundation for success. It firmly entrenches the Government's commitment and efforts towards the inculcation of quality consciousness deemed necessary for the provision of quality goods and services to customers. It also serves as a launching pad for future actions to upgrade the efficiency, effectiveness and performance of government agencies. Quality in the Public Service refers to the totality of features of products and services that meet stated or implied needs of the customer and/or stakeholder. In this respect, customer satisfaction has become the focal point of all government agencies' operations. Agencies are required to uphold the fundamental principles of quality which include meeting customers' needs, building quality into work processes, ensuring quality outputs and services at all times, eliminating wastes and rework, and treating all work as a series of planned actions directed towards the accomplishment of organisational goals.

Towards this end, the Public Service adopted the concept of *Total Quality Management (TQM)* and all agencies have been directed to implement TQM. TQM is the tool which paves the way for the creation of more customer-focused organisations capable of delivering quality outputs and services to customers. In addition, TQM calls for a total re-look at the organisation's operations to ensure that all systems and processes are aligned to meet customers' needs. Under TQM, management has to ensure that employees understand and appreciate the importance of customer satisfaction. To achieve this, top management is constantly emphasising on greater employee involvement and participation; motivation; and recognition. In TQM, the Government emphasises the importance of strategic planning in determining the types of products and services to produce. It also stresses the importance of product and service quality, process quality, manpower quality and the problem-solving process. Agencies have been advised to form *Quality Control Circles (QCCs)* which can be used as an effective mechanism to mobilise expertise, experience and employee creativity in problem-solving. Through QCCs, improvements have been made to various areas of administration and some of the benefits derived include reductions in waiting time and operational costs.

The Government also recognises the role played by *counter services* as a means of service delivery to the public. The counter acts as the first point of contact between the public and the agency and it is at the counter that perceptions are made by the public regarding the performance of an agency. Various services are delivered at the counter such as the issuance of licences, permits, passports, identity cards, sale of postage stamps and collection of bill payments. The Government is continuously upgrading its counter service to ensure that fast, accurate and courteous service is provided to customers. *Telephone communication* is another important means by which agencies provide services to the public and better quality service through

better telephone communication is therefore another area of concern for the Government.

The new customer-focused management paradigm recognises the importance of close co-operation and joint action between the public and private sectors in working towards long-term national development goals. This symbiotic relationship enhances Malaysia's national competitiveness in the global market place. In fostering such co-operation and collaboration, the Government introduced the *Malaysia Incorporated Policy*. This policy was based on the underlying philosophy that co-operation and collaboration between government and business is essential for accelerated industrial development. Consultative panels are set up in each agency at the federal, state and district levels. Agencies have been directed to hold annual dialogues with the private sector to discuss policies and programmes which affect the private sector, relevant rules and procedures, as well as the performance of the agencies. Government agencies undertake constant reviews of administrative systems, rules, regulations and procedures consistent with the need to deregulate in order to facilitate the expansion and growth of the private sector.

As a further testimony of its commitment towards quality, the Government has introduced and adopted the concept of the Client's Charter. A Client's Charter is a written commitment by a government agency to its customers that goods and services provided will comply with the standards declared as quality standards. These are standards which fulfil the needs of customers. For the effective implementation of the Client's Charter, an agency has to pay attention to the promotional, monitoring, service recovery and improvement aspects.

Productivity

The Public Service also places equal emphasis on productivity. Productivity is seen in terms of how well an organisation utilises its resources. Organisations are urged to either reduce the costs for current service levels, increase service levels while holding costs constant, or ideally increase performance and service levels while simultaneously reducing costs. The Government has identified eight critical factors which influence productivity. These are manpower, systems and procedures, organisation structure, management style, work environment, technology, materials, and capital equipment. Agencies also implement productivity measurement as one of the important components of productivity improvement efforts. Productivity measurement starts with the identification of the organisation's main outputs followed by the determination of productivity indicators for each of the main outputs identified. This is followed by data collection after which evaluation of current productivity levels is made.

Efficient *systems and procedures* are vital in determining the production of quality outputs and services. Outmoded systems and work procedures give rise to inefficiency and poor service delivery. In ensuring efficient systems and procedures, the Government has implemented improvements in several areas such as file management, work simplification, form design, work measurement and control systems. Agencies have also intensified *office automation* to cope with increased workload and changes in work requirements. They are now equipped with modern office equipment which expedite work processes and enhance quality of output. The outcome of more efficient systems and procedures and greater office automation are time and cost reduction, reduction of wastage, job simplification, reduction in "red tape" and smoother and more effective communication. These will culminate in greater customer satisfaction and increased productivity.

Quality and productivity improvement efforts are impossible without the aid of modern technology. The Government continues to provide strong support for *information technology* development in the Public Service. The benefits of computerisation are evident in a variety of applications such as improved revenue collection by local authorities, better counter services, time reduction and cost savings. Since computerisation involves large capital outlay, the Government is also concerned with the quality of information systems that are installed and developed. It has therefore formulated various guidelines to assist in the planning, procurement, development and implementation of computerisation projects. Some of the major information technology projects undertaken include the Integrated Project Monitoring System, Electronic Data Interchange (EDI), Local Area Network (LAN), Public Services Network (PSN), and Integrated Telecommunications Network. The latest development in information technology is the establishment of the *Civil Service Link* (CSL). The CSL consists of two components, i.e. an information kiosk and a database where information pertaining to various aspects of the Public Service administration can be acquired. For example, the private sector and the general public can readily obtain information of organisations responsible for issuing licences, permits and approvals.

Privatisation is used by the Government to reduce the size of the Public Sector. At the same time it assists in reducing the financial burden of the Government in terms of the operating and development expenditures while adding to Government revenue. The programme has been successful as can be seen from the improved financial performance of major privatised projects as well as the significant improvements in the quality of services provided. The Government is constantly upgrading the *system of planning and implementation of development projects* to achieve the planned rate of economic growth. Among the measures taken were efforts to assist and delineate further the functions of each party involved in the planning and implementation of projects. Towards this end, the Government has devised guidelines including those on the machinery for the implementation and co-ordination of the National Development Policy, the Integrated Scheduling System,

the planning and preparation of development projects, and the implementation of small projects. Agencies have been directed to co-ordinate and monitor projects through *morning prayers* which has been found to be a very effective mechanism for overcoming various problems at all levels.

Innovativeness

In embarking on the journey of total quality and continuous improvement, the Government recognises the vital link between quality and innovation and hence the relentless efforts in encouraging its agencies and employees to innovate. As the environment changes and when customers' needs change, the organisation has to quickly adapt to these changes. This calls for an innovative culture which is necessary in the management of change. Government agencies are encouraged to introduce innovations that can help overcome problems, address pertinent issues and improve performance.

Innovation is taken to mean the introduction and application of new ideas that can bring about improvements to the Public Service whether in the form of reduction in operational costs, time savings, increase in output, or increase in customer satisfaction. Concrete measures have in fact been taken to foster this innovative culture. Such measures include the introduction of the Q suggestion system which provides the mechanism for employees to voice their suggestions, and QCCs or other types of problem-solving groups which encourage people to come together to think of ways to overcome problems. Judging from the number of innovations implemented each year, it is fair to say that the innovative culture is here to stay. Potential areas of innovations that have been identified include manpower, systems and procedures, organisational structure, management style, work environment, technology, and capital equipment.

Discipline

The Government has always insisted on the highest levels of discipline in its employees. Discipline means the adherence or the conformance to set work ethics and value systems. A high level of discipline is necessary in upholding the image of a clean Public Service. Discipline is enforced through the Public Officers (Conduct and Discipline) Regulations 1993 which replace the General Orders (Chapter D). These new regulations empower the Disciplinary Board to suspend immediately an employee from carrying out his/her duty if he/she is suspected to have committed a criminal offence or a serious disciplinary offence. The suspension may be carried out for any duration not exceeding one month. The comprehensive new regulations also cover drug abuse and the use of proper attire

by civil servants. The regulations also list and define offences and procedures to follow in a disciplinary action.

Integrity and Accountability

Public officials have also been reminded to exhibit high integrity by demonstrating values like honesty, sincerity, trustworthiness and continuously protecting public interest. They are expected to execute their responsibilities with all sincerity, fairness, justice and without self-interest. Accountability can be defined as the responsibility of civil servants to carry out the duties entrusted to them in the most efficient and effective manner and in accordance with the relevant laws and regulations. It subsumes the obligation on the part of an officer or an agency to provide answers or explanations concerning their actions and performance to those with a right to require such answers and explanations.

The Public Service which is entrusted with public resources and the authority to utilise them to achieve its desired goals has a moral responsibility to be fully accountable for its activities. Within an organisation, public officials are accountable to those who supervise and control their work. In the context of the external environment, they are accountable to the higher political authorities, their customers or the public at large. If a public official is to perform his or her role in an effective and professional manner, certain commitments are essential. The official has to make a commitment to master the knowledge and skills required of the job and to perform conscientiously in accordance with the position. He or she has to make a commitment to implement policies and programmes as formulated by the Government, even if he or she personally disagrees with them. Finally, the official has to act impartially and to treat all citizens equally.

Accountability mechanisms are built into the laws, regulations and institutions controlling public expenditure. For example, the Audit Act was amended in 1982 to enhance the powers and duties of the Auditor General enabling him to undertake an extensive investigation audit of the activities of government agencies on a much wider scale. Falling within the purview of this extended auditing (known as "management performance audit" or "value for money" audit) is the efficiency, economy and effectiveness norms by which the government agencies pursue their departmental objectives. In accordance with the Audit Act, the Auditor General is required to submit his findings to the Houses of Parliament for the close scrutiny of the *Public Account Committee* (PAC) which is an important instrument of financial control by Parliament over the bureaucracy.

Public accountability can be very efficient with the direct participation of the public. It is on this basic premise that the Government set up the *Public Complaints Bureau* within the Prime Minister's Department. The aim of the

Bureau is to check abuses and malpractices in government agencies and to redress public grievances. Another mechanism to ensure public accountability is the *Anti-Corruption Agency* (ACA) which enforces the Anti-Corruption Act 1982, as well as other related legislations. Although the complete elimination of corruption may only come about with major attitudinal change, the ACA has played a vital role in curtailing corruption within the public sector.

In *financial management* the concept of accountability is closely related to the responsibility of public officers to manage public assets and resources in an efficient, trustworthy and fair manner. Agencies have been asked to concentrate on three areas of accountability. These are fiscal accountability which ensures that accounts are reliable and all transactions are genuine, above suspicion and in accordance with prevailing laws and regulations; managerial accountability which ensures efficient utilisation of public resources and elimination of wastage; and programme accountability which ensures that each programme achieves the objectives set in terms of cost and quantity.

Improving financial management and accountability in the Public Service is an ongoing effort. Towards this end, continuous efforts are taken to focus on strengthening financial control systems, improving the financial management infrastructure and improving the effectiveness of financial management through the Micro-Accounting System and Modified Budgeting System. The *Micro-Accounting System* assists managers to determine the cost of outputs produced and thus helps in the planning and optimal utilisation of resources. The cost information obtained would enable managers to compare planned output cost with actual cost, determine cost trends for producing similar outputs, and determine the price to be set for a particular good or service. With such information, corrective actions can be taken to control cost. The *Modified Budgeting System* enhances the accountability of Controlling Officers in the management of resources allocated to them for certain objectives. This system is oriented towards the measurement of output and impact of government programmes.

Professionalism

An excellent Public Service calls for a workforce that is highly professional in the execution of its duties. Professionalism requires the observance of certain fundamental principles which form an integral part of the profession of a civil servant. These principles are summarised as follows:

- The conduct of civil servants is subject to the law of the land. In addition to abiding by civil and criminal laws, civil servants are also subjected to particular statutes like the Official Secrets Act which restricts the disclosure of official information. A professional value to which all civil

servants hold dearly is the ethic of secrecy and confidentiality of official information.

- The exercise of authority by civil servants affecting individual or other interest must rest on legitimate and legal foundations. Civil servants must avoid conflict between official duty and private interest, refrain from private activities that might bring discredit to the Public Service, be honest and maintain a proper reticence on matters of public and political controversy.
- Civil servants should be seen to be above any suspicion of impropriety. This is to uphold public confidence in the traditional impartiality of the Public Service, especially in the context of increasing public-private sector collaboration and co-operation.
- Civil servants are committed to act impartially and to treat all persons alike, without fear or favour. They must follow the principle of providing service fairly and justly to all, and treating each person with dignity.

The professionalism of the civil servant is further enhanced with the introduction and implementation of the *New Remuneration System (NRS)*. The NRS, which involves major changes to the organisational structure, remuneration and reward system and terms of service, has brought about significant changes to the management and personnel administration of the Public Service. It will result in the ability to acquire and retain innovative, creative and talented employees who readily embrace a work culture that emphasises performance, quality and productivity. It will also help to develop a more responsive and efficient Public Service capable of meeting new challenges.

Five main strategies have been adopted to ensure the successful implementation of administrative reforms. These include the strategies of *consensus building; documentation and information dissemination; training; follow-up and follow-through; and recognition and awards*. Administrative reforms in the Public Service are co-ordinated at the highest level by the Panel on Administrative Improvements to the Civil Service (PANEL). The PANEL is chaired by the Chief Secretary to the Government and its Secretariat is the Malaysian Administrative Modernisation and Management Planning Unit (MAMPU) of the Prime Minister's Department. Its members comprise heads of central agencies such as Federal Treasury, Public Service Department, and the Implementation and Co-ordination Unit of the Prime Minister's Department. The PANEL acts as a think-tank and prime-mover in the area of administrative improvements in the Public Service. Consensus building is also achieved through discussions at four major permanent committees of Public Service top management, namely Meetings of Secretaries General of Ministries and Heads of Services; Meetings of Heads of Federal Departments; Meetings of the

Liaison Committee between the Federal and State Governments; and Meetings of the Chief Executives of Federal Statutory Bodies.

Documentation and dissemination of information through publications and the production of videotapes is another strategy adopted to increase the knowledge, know-how and understanding of civil servants regarding administrative programmes. Major publications include Development Administration Circulars, books, guidelines and manuals, magazines, and annual publications on "Improvements and Developments in the Public Service." Training is used as an effective means of ensuring capable and skilled workers who can effectively implement and manage the administrative programmes. The National Institute of Public Administration (INTAN) conducts training courses on the various Development Administration Circulars. Government agencies also organise their own seminars and training programmes on the Development Administration Circulars, while officers from MAMPU and INTAN are often invited to give briefings. The contents of the Development Administration Circulars and other major publications have also been included in the syllabus of Public Examinations, as well as questions for interviews by Promotion Boards.

Much of the success achieved in the implementation of administrative improvements can be attributed to close monitoring by top management. The PANEL and all the top management forums mentioned above monitor major administrative improvement programmes through their regular meetings. Inspections of government agencies are also used as a strategy to observe progress made by these agencies regarding the implementation of the Development Administration Circulars. The Inspectorate Division of MAMPU undertakes such inspection visits on the directive of the Chief Secretary to the Government. A report is then submitted to the Chief Secretary and the agency concerned for action. The Chief Secretary to the Government himself also visits the various states to evaluate personally the level of implementation of the various Development Administration Circulars and during these visits, he may issue directives and offer suggestions for improvements.

The Government has also created a comprehensive recognition and award system to demonstrate its appreciation and recognition of agencies and individuals who have performed well. These awards are also aimed at motivating others to emulate the examples set by the winning agencies. The criteria set under each award are in themselves tools for self-evaluation by the agencies. The major awards introduced include the Prime Minister's Quality Award, Public Service Quality Awards – comprising the Chief Secretary to the Government Quality Award, the Director General of Public Service Quality Award, and the Director General of MAMPU Quality Award – the Public Service Innovation Award, Public Service Special Awards in Financial Management, Management of Counter Services, File Management, Project Management, Human Resource Management, Information

Technology Management, and Performance Measurement Award, the District Office Quality Award, Local Authorities Quality Award, Best Client's Charter Award, and Quality Control Circles Awards.

The success of the Public Service in the introduction of the reforms is due to its ability to adapt to change. The administration is also thankful that top political leadership are among the leading proponents of reforms. In fact, all four Malaysian Prime Ministers have given significant support and immeasurable contributions to past and present reform efforts. The Public Service is also fortunate in having generated from within itself enlightened leaders who are in alignment with the political leadership on the need for administrative improvements. The dynamism that is emanating from the highest echelon of the Malaysian administration has given the necessary impetus for the successful implementation of the various reform measures. The Malaysian reform effort has also derived its strength from three major institutions, viz. the Panel On Administrative Improvements To The Civil Service (PANEL), the Malaysian Administrative Modernisation And Management Planning Unit (MAMPU) and the National Institute of Public Administration (INTAN), which have provided the necessary institutional framework and, over the years, spearheaded the implementation of the administrative improvement and modernisation programmes.

**Malaysian Administrative Modernisation
and Management Planning Unit (MAMPU),
Prime Minister's Department,
Kuala Lumpur, August 1994**