

SECTION 1 MAKING THE MOST OF STAFF

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1.1 Ensuring non-discrimination in employment practices

Under the Federal Constitution of Malaysia, citizens may not be discriminated against on the grounds of religion, race, descent or place of birth in the appointment to any office or employment under a public authority (meaning generally government, a local authority or statutory authority). Women are given equal opportunity for appointment and promotion in the Civil Service. This entry covers the measure on non-discrimination on disability as there is a specific policy on this matter.

Government policy is to reserve at least one per cent of its employment opportunities for the handicapped. This means that at least one per cent of the total public employees employed at the Federal, State, Statutory Board and Local Authority should be handicapped people.

A handicapped person is defined to be one who is unable to obtain, fully or partially, the normal requirements of a normal individual and/or unable to enjoy community life fully due to a physical defect since birth or after. The three categories of disability covered by this policy are the visually handicapped, hearing and speech impaired and the physically handicapped.

Under this policy, the Government has no intention to classify posts for various categories of disabilities and therefore all vacancies in the public sector are open to all handicapped people. However, the selection is based primarily on the suitability for the job. In connection with this, the selection committee, especially the Public Services Commission, will seek the advice of the Ministry of National Unity and Social Development (formerly known as the Ministry of Welfare Services) regarding the kind of disabilities which are more appropriate to the post.

The objective of this policy is to assist those handicapped people who possess qualifications and skills to have employment opportunities in suitable positions in the public sector.

Only handicapped candidates registered with the Ministry of National Unity and Social Development are given special consideration to fulfil the quota of one per cent in the public sector. Those candidates not registered are excluded from this privilege and are treated like any other normal applicants.

All handicapped applicants applying for posts are required to fill in their registration numbers, given by the Ministry of National Unity and Social Development, on the front page of their application forms. This is to ensure that the selection authorities can identify them and accord them special consideration.

The Government will not waive any service condition laid down in the scheme of service in the public sector. All candidates must fulfil the minimum of service conditions, especially regarding their academic qualifications. However, the Ministry of National Unity and Social Development can appeal for the relaxation of certain conditions, particularly on the maximum age for joining the service, a reason being that handicapped persons may have been left far behind with regard to opportunities for education and employment.

The Ministry of National Unity and Social Development takes appropriate action to improve its services for the registration of handicapped people in order to make this policy a success. The Ministry is also improving its information services, channelling all the latest information regarding conditions of employment to clientele in all the State Welfare Offices and voluntary organisations in the country.

This policy came into effect on 20 December 1988 and there is no time limit regarding its implementation.

Supporting material

Service Circular No. 10 1988 "Procedures In Allocating one Per Cent of Employment Opportunities In The Public Sector For The Handicapped People", 20 December 1988 (in the national language)

1.2 Performance appraisal

The implementation of the New Remuneration System (NRS) in 1992 brought about changes in the structure and terms of service. The emphasis of NRS is on merit, particularly in the determination of salary progression, promotion and training opportunities for civil servants. In order to achieve the objective of the NRS to create an innovative, productive and quality civil servant, the Government introduced a new and comprehensive system of Performance Appraisal on 11 December 1992.

The New Performance Appraisal System embodies several key principles or elements that have far reaching implications for the Civil Service. These principles are as follows:

- the determination of annual work targets, a mid-year review and the adoption of an 'open' process of performance appraisal;
- the recognition of activities and contributions rendered outside the scope of official duties;
- the introduction of additional evaluative criteria and detailed weighting system;
- the use of different performance appraisal forms according to grades and divisions in the Civil Service;
- the reduction in the levels of reporting officials (from three to two levels) in line with the reduction in grades under the NRS; and
- the establishment of Co-ordination Panels on Performance Appraisal and Salary Progression to ensure fair and just appraisals.

The new system is designed to minimise the element of subjectivity in performance appraisal. It involves the use of new forms and a different approach in the evaluation process. Five types of form have been designed for this purpose, each catering for each category of officers classified under the NRS. The new form is divided into two sections. The first section records the basic vital information of the individual. The second section evaluates the capabilities and efficiency of the individual in six specific areas such as contributions and extra-curricular activities, work output, knowledge and skills, personal attributes, potential, and co-operativeness and relationships. Points are scored in the second section but the maximum score for each of the six aspects is different for each category of officer.

The context for change

The New Performance Appraisal System was formulated with the following objectives:

- (i) to create a systematic, reliable and comprehensive procedure for work performance measurement;
- (ii) to develop an appropriate and relevant system for measuring work performance for all levels, groups and classifications of public service personnel under the NRS;
- (iii) to extend the use of performance appraisal for personnel functions such as in the determination of salary progression, promotion, placement and training; and
- (iv) to enhance the participation of heads of departments and all levels of supervisors in duties related to the performance appraisal of their officers, especially in areas connected with work planning, supervision, motivation, counselling and career development.

Implementing change

The new appraisal system was formulated after an extensive process of discussion and negotiation, starting from a special conference of heads of departments and heads of services. The draft proposal was then discussed by the Panel On Administrative Improvements To The Civil Service as well as by four other major permanent committees of the top management of the Civil Service, namely the Meeting of Secretaries-General of ministries and Heads of Services, the Meeting of Directors-General of Federal Departments, the Meeting of the Liaison Committee Between the Federal and the State Governments, and the Meeting of the Chief Executives of Federal Statutory Bodies.

Views and opinions from consultants in personnel management, as well as from the representatives of the worker side of the National Joint Council were also sought. In addition, studies were also done on several types of performance appraisal systems practised by the private sector, statutory bodies and the civil services of developed countries.

A comprehensive guidebook to assist in the implementation of the Performance Appraisal Report for the Public Service has been prepared. This guidebook assists the officer to be appraised, the Supervising Officer and the Counter-signing Officer, so as to achieve objectivity and fairness in the performance appraisal process. To

ensure successful implementation of the system, special courses by the National Institute of Public Administration, as well as briefings by the Public Services Department, are conducted to explain the procedures involved in new appraisal system.

The New Performance Appraisal System is a direct outcome of the implementation of NRS. The NRS is covered by a separate entry in this series.

The new Performance Appraisal System will be continued to be implemented until and unless the Government decides a review is necessary.

Supporting material

- (i) Service Circular No. 4 1992 and Guidelines For The Implementation Of Performance Appraisal System Of The Malaysian Public Service, 4 December 1992
- (ii) 1991-1992 Annual Report of the Public Services Department (in the national language)

1.3 Enhancing staff training and development

Training is a means to improve knowledge, capability and skills as well as to attain attitudinal change. It raises the confidence of employees in undertaking tasks that are more demanding as well as enabling them to achieve greater level of success in their work. The training process provides an opportunity to inculcate positive values and to engender an excellent work culture in the organisation. This then results in the institutionalisation of a work culture that constantly emphasises quality service, based on the principle that each task should be executed correctly each time. Based on this concept, the Civil Service always places emphasis on training its personnel.

The context for change

Training activities undertaken by the Civil Service are guided by a Training Policy as spelt out in the Service Circular No. 1, 13 January 1970. Among the important features of the training policy are:

- creating a progressive Civil Service;
- enhancing the capability and efficiency of administrators in tandem with advancement in scientific, professional and management fields within and outside the Civil Service;
- providing a fair and equal opportunity for all civil servants in training.

The Training and Career Development Division of the Public Services Department and the National Institute of Public Administration (INTAN) are the two main government machineries responsible for planning and implementing training programmes for public personnel. Both agencies play an eminent role in enhancing the performance of the Civil Service through training activities. The training programmes are based on the total training concept, emphasising not only knowledge and skills but also values formation.

Training is an important programme in human resource development in the public sector. Its objective is to ensure that the Civil Service is continuously staffed with highly skilled and knowledgeable personnel to provide excellent public service.

Implementing change

Training activities are planned and implemented in a systematic manner, based on the following strategies:

- (i) providing exposure and upgrading knowledge and skills on technological development and up-to-date management techniques through short- and medium-term courses;
- (ii) developing expertise and specialisation through long-term courses at certificate, diploma, degree, and doctorate levels;
- (iii) providing short courses for top management executives aimed at developing their management and organisational skills;
- (iv) decentralising training functions to ministries/departments as a step towards meeting the specific training needs of respective government agencies.

As a continuous effort to improve the knowledge and skills of public servants, the training programmes conducted are as follows:

- a. training programmes for top management;
- b. post-graduate training;
- c. training on the Malaysia Incorporated Concept;
- d. training on Development Administration Circulars;
- e. international training programmes;
- f. induction training;
- g. special departmental training; and
- h. skills upgrading training programmes.

Training has always been viewed as an investment in the human resource. With the total training concept adopted, training is therefore closely linked with the efforts to inculcate positive values and work ethics. It is also a vital component in the implementation of the Total Quality Management concept and the Client's Charter to improve the quality of service rendered by the Civil Service.

At agency level, government departments also have their own training plan to upgrade the quality of their human resource. In this respect, they either conduct in-house training sessions for their staff and officers with the assistance of external consultants, or by their own internal experts.

In order to produce high calibre officers and staff it is essential that training and skills enhancement are continuous.

A particular initiative in enhancing staff training and development: major training programme

Training is instrumental for the development of civil servants who are productive and efficient. The implementation of the New Remuneration System (NRS) and the new thrust in national development as envisaged in Vision 2020 have in fact made training an imperative for producing high calibre, efficient and progressive administrators. The Government therefore continues to place special emphasis on the implementation of training and career development programmes. This unwavering commitment to training has helped to produce an administrative machinery that is well-equipped to meet current needs as well as future challenges posed by the complex and rapidly changing environment.

The major training programmes undertaken by the Civil Service are as follows:

- a. The provision of training to all levels and divisions in the Civil Service. This was achieved through the following training programmes:
 - i) training for top management;
 - ii) training for the creation of high calibre human resources, specialists and technologist;
 - iii) training for critical services;
 - iv) re-training and refresher courses for specific services; and
 - v) induction courses.
- b. The implementation of a number of new courses particularly relating to promotion exercise. For example, among the new courses introduced in 1993 were:
 - i) training programmes for Premier Posts;
 - ii) training programmes for Grade 1 Posts;
 - iii) management performance training for the New Remuneration System; and
 - iv) induction courses.

In order to increase the level of expertise and specialisation in the Civil Service, officers in all ministries, departments and other government agencies are encouraged

to pursue further studies. These are made possible with the availability of scholarships, federal or international funding. For example, between 1987 and 1993 a total of 123 government officers were sent for PhD courses and 1245 for Masters degree courses.

To support the Government in improving the Civil Service, training on Development Administration Circulars was carried out and intensified in 1993. A series of 253 training courses/workshops/seminars/briefings were conducted for 10,325 participants. This brought the total number trained since the launching of the circulars in 1991 to 25,768 participants. The objective of this type of training is to enable civil servants to understand fully and implement successfully the various administrative improvement programmes as laid down in the Development Administration Circulars.

A particular initiative in enhancing staff training and development: improving management skills

In enhancing the management skills of public officials, the Government also puts emphasis on increasing the level of public personnel's understanding and knowledge of the corporate world and its requirements. Measures have therefore been taken by the Government to encourage civil servants to participate in seminars, workshops, conferences and dialogue sessions organised by the private sector.

The Government also conducts attachment programmes whereby government officials are attached to private firms identified by the Business Councils and multinational firms. This particular training programme provides opportunities for government officials to gain first-hand experience in entrepreneurial development. Such experience and knowledge also contribute in the long run towards enhancing the capability of government administration in all its dealings with the private sector. Two of the attachment programmes implemented are:

a. *BMITA Programme*

This attachment programme is sponsored by the British Malaysian Industry and Trade Association (BMITA) for government officials who are attached to British firms in Malaysia. Since its inception in 1983, a total of 119 senior government officials have participated in this programme. Eleven officers participated in the ninth BMITA programme held in 1993. In addition to providing experience on management practices operating in British firms, the programme also aims at enhancing public-private relationships. As such, the training includes theories and concepts of management as well as management styles of private firms taking part in the BMITA programme. During the initial training phase in INTAN, participants were exposed to management theories in the corporate world encompassing such

subjects as strategic planning, organisational behaviour, and information systems. During attachment, participants are exposed to the practical aspects of a firm's operations such as production, marketing, finance and accounting.

b. *Attachment to other private firms*

The success of the BMITA training programme convinced the Government to broaden such training to include attachment to other foreign firms. As a result, another attachment programme involving European firms was implemented at the beginning of 1991. In 1993, 12 officials were chosen for the third training programme called "Management Training Programme in Europe". This brought the total number of participants since the programme was initiated to 33, involving 10 European firms. This programme, which was fully funded by the Government, began with a pre-attachment training at INTAN. This was followed by attachment to European firms operating in Malaysia and an advanced business management training in the Netherlands. Through this programme, government officers were exposed to the theories and practices of management and the intricacies of business operations in the private sector.

A particular initiative in enhancing staff training and development: management development

The management development programme is aimed at producing a core of high calibre officers to hold senior management positions in the civil service. This includes advanced management courses for top executives and mandatory courses for those on promotion.

The training courses conducted under this programme are:

a. *Top management training*

This training is designed for top-level officials who are sent overseas for advanced management courses in institutions such as Harvard University, USA; Massachusetts Institute of Technology, USA; Stanford University, USA; London Business School, U.K.; and INSEAD, France. In 1993, a total of 45 Superscale 'C' officers were sent for such courses.

b. *Seminar/conference/briefing for top management*

A series of seminars/conferences/briefings are also conducted to enhance knowledge and to provide exposure for top management officials on the latest developments in the field of management. These programmes are conducted by both local and foreign experts.

c. Training for premier posts

Introduced in 1993, this course was made mandatory to prepare officers in Grade 1 for promotion to the Premier Posts. The course is also aimed at increasing the knowledge and expertise of officers holding critical posts as well as exposing them to the latest management techniques. It is held three times a year and in 1993 a total of 90 participants successfully completed the course.

d. Training programmes for Grade 1 posts

The course was made compulsory from 1993 onwards for officers in Grade 2 who were being considered for promotion to Grade 1. In view of the fact that Grade 1 officers represent the 'senior second echelon management' in the public sector, such posts require in depth knowledge in advanced management techniques. The course provides exposure to advanced concepts and philosophies of management.

Supporting material

- (i) Service Circular No. 1, 13 January 1970 (in the national language)
- (ii) The Civil Service of Malaysia – A Paradigm Shift, 1993 (Chapter 13, pp 678-702)
- (iii) 1991-92 Annual Report of the Public Services Department (in the national language)

1.4 Achieving a mission orientation

In the context of making the most of staff, mission orientation enables staff to have a clear understanding of their roles in achieving organisational goals. In this respect, senior managers have to communicate the vision and mission of the organisation to their staff in order to gain the commitment of every member in the organisation to work towards the common objective of achieving organisational goals. Once organisational goals and objectives are clearly understood, the productivity of the staff can be increased through the setting of measurable work targets and performance standards.

The context for change

The *raison d'être* of every organisation, be it private or public, lies in its mission statement and objectives. Various efforts have been introduced by the Government to encourage its departments to adopt a mission orientation. Under the Programme Performance Budgeting System (PPBS), every government department has to establish strategies, objectives, programmes and activities every year for the purpose of budget estimates. The Modified Budgeting System (MBS) introduced recently to replace the PPBS added a new dimension by requiring government departments to set performance indicators according to standards such as quality, quantity, cost and timeliness.

In addition, the concept of measuring productivity at both the organisational as well as the individual levels was introduced via the Development Administration Circular No. 6 of 1991 entitled "Guidelines On Productivity Improvement In The Public Service". This practice is further emphasised in the New Appraisal System adopted in 1993 where the establishment of an annual work target for every officer is required.

Through the introduction of Total Quality Management in the Civil Service in 1992, government departments are required to formulate vision and mission statements, determine quality objectives and establish quality standards for its outputs. These mission concepts change the behaviour of managers and staff to be more customer-focused by constantly delivering high level of service quality.

Implementing change

By setting organisational goals, objectives and individual work targets, a department is able to optimise its resource utilisation, particularly the human resource. Through

the data collected, the productivity levels of individuals as well as that of the division, section and unit in the department can be gauged objectively on a regular basis.

The annual work target for every officer is established after the head of department determines the organisational goals, objectives, strategies, programmes and activities of each division, section and unit of the department. The determination of departmental goals, objectives, strategies and types of programmes must take into account national policies, plan, financial and manpower resources, information and all available facilities. In setting annual work targets, the standard of measurement for every departmental activity, based on its goals, objectives and priorities set for the relevant year, has to be determined beforehand.

Annual work targets and performance standards for an individual are normally determined and mutually agreed on by the subordinate and the supervisor.

The time taken by an organisation to draft its vision, mission statement and objectives and to communicate with its staff depends on its size and the complexity of its functions. An annual review of the organisational goals, objectives, strategies, programmes and activities is necessary for the purposes of budget preparation. Similarly, the work targets of the individual need to be reviewed every year for the purposes of performance appraisal.

Supporting material

- (i) Development Administration Circular No.6, 1991, "Guidelines On Productivity Improvement In The Public Service"
- (ii) Development Administration Circular No.1, 1992, "Guidelines On Total Quality Management In The Public Service"
- (iii) Service Circular No. 4, 1992 and Guidelines For The Implementation Of Performance Appraisal System Of The Malaysian Public Service

1.5 Improving recruitment and retention practices

Recruitment of personnel to the Malaysia Public Service has always been the responsibility of the various Service Commissions established under the Federal Constitution and State Constitutions. These Service Commissions are the Public Services Commissions, Legal and Judiciary Service Commission, Police Force Commission, Education Service Commission and State Public Services Commissions. For the purposes of illustration, this entry will only touch on the recruitment policies and procedures as practised by the Public Services Commission (PSC).

The Public Services Commission Malaysia is an independent body established under Article 139 (1) of the Federal Constitution of Malaysia. Its jurisdiction extends over members of the General Public Service of the Federation; the Joint Public Services; and the Public Services of the States of Malacca, Pulau Pinang, Perlis and Negeri Sembilan. In addition, Article 144 (1) of the Constitution provides for six main functions of the Commission which are:

- (i) to appoint;
- (ii) to confirm;
- (iii) to confer pensionable status;
- (iv) to promote;
- (v) to transfer; and
- (vi) to exercise disciplinary control over members of the Public Service to which its jurisdiction extends.

The Commission is provided with rules and guidelines in its recruitment exercise. These rules and guidelines are derived from:

a. General Orders

General Orders Chapter A 1973 explains the general terms and the recruitment procedures to be followed, such as:

- category of applicant;
- the need for an advertisement;
- qualification requirements in accordance with the scheme of service; and
- the responsibility of the head of department.

b. Scheme of Service

Each type of job/post available in the government sector is determined by a scheme of service. Each scheme contains the following:

- name of the post, classification, group of service, grade and remuneration schedule;
- minimum age limit, qualification required and experience (if necessary);
- appropriate test/examination (if necessary).

c. Circular letters

Normally, the Public Services Department issues circular letters on matters relating to personnel management. Circular letters may be issued by other central agencies such as the Prime Minister's Department and the Treasury on recruitment policies made by the Government from time to time.

As an independent body, the PSC sees to it that the recruitment and selection of public employees is in accordance with publicly recognised professional principles, i.e. impartially on the basis of qualifications, experience and merit.

Prior to any recruitment exercise, the PSC will issue a call letter to the various ministries/departments and the State Administration which are under its jurisdiction. The purpose of sending out the call letter is to inform heads of departments on matters pertaining to the proposed advertisement schedule and their role in fulfilling their department's personnel requirements.

The head of department will inform the PSC of its personnel requirements via a request for recruitment format. Any request for recruitment to the PSC must contain the following information:

- number of vacancies to be filled and the dates the vacancies occurred;
- number of reserved candidates required;
- a copy of the letter from the Director General of the Public Services Department in cases where there are amendments to the qualification, eligibility or other pre-requisites different from the existing scheme of service; and

d. Functions, responsibilities and other specifications of the job concerned

Once the request is verified by the PSC secretariat, a draft advertisement for each type of job/post will then be prepared by the department concerned for approval by the PSC before being placed in the local newspapers. The advertisement normally conveys information on:

- name of organisation, i.e. ministry/department;
- method of applying;
- conditions of service;
- grade and salary scheme;
- entry qualifications;
- forwarding address and closing date.

Prescribed application form (SPA.6 Pindaan 2/86) is used for applying jobs with the PSC. Sometimes candidates are required to sit special tests, such as psychological tests, to gauge the suitability of the candidates.

The PSC receives a large number of applications for any job advertised. This requires shortlisting in order that a fair and manageable number of candidates can be called for interview. Factors such as academic and professional qualifications, relevant experience and results of the relevant test given to the candidates where applicable may be used in the shortlisting process.

Two forms of interviews are carried out by the PSC. There is the open type of interview and the "group interview". Regardless of the types of interview, selection is done according to the criteria set by the guidelines pertaining to the job specifications and actual needs of the ministry/department concerned. The final decision of the Interview Board depends on the performance of the candidates and their academic and other qualifications.

A Commission Paper for each type of post is then prepared by the secretariat for submission to the PSC. The Paper consists of detailed information on the recruitment and selection exercise. As soon as the PSC approves the Commission Paper, offer letters are prepared and sent to successful candidates through the ministry/department concerned. Normally a recruitment exercise, which starts from the date of advertisement to the date the offer letter is sent out, will take an average of 17 weeks.

The present recruitment arrangements have been in place since the establishment of the PSC. However, in recent years, there has been a delegation to heads of departments to recruit staff of selected support services.

Supporting material

- (i) Federal Constitution of Malaysia
- (ii) General Orders Chapter 'A' (Appointment and Promotion) 1973 (in the national language)

1.6 Utilising performance incentives

The implementation of the New Remuneration System (NRS) in 1992 is a radical move by the Government to enhance further its personnel administration and management system. It involves major changes in the structure of organisations, the remuneration and reward system and in the terms of service. The NRS is an effective mechanism to ensure a personnel management system of high quality that is capable of meeting the challenges faced in national development. The NRS was enforced on 1 January 1992 with the issuance of Service Circular No. 9 of 1991.

The context for change

The NRS is aimed at creating a more effective personnel system in the public sector in order to meet changes and challenges in the future. The flexibility of the system will strengthen further the management of the public sector and ensure the achievement of the following objectives;

- to become more responsive, efficient and capable of meeting new challenges;
- the ability to acquire and retain innovative, creative and talented employees;
- to inculcate a work culture that emphasises performance, quality and productivity; and
- to develop a leadership of high calibre that is capable of leading public sector organisations towards achieving the nation's development objectives.

The NRS is the outcome of the study by a special committee set up by the Government to review the salary, allowances and benefits as well as to restructure the whole public sector. The Special Cabinet Committee on Public Sector Salary was chaired by the Prime Minister himself with the Public Services Department as the Secretariat.

Implementing change

With the implementation of the NRS the service structure underwent major changes. A total of 574 schemes of service were reclassified into 274 schemes of service. These have been grouped into 19 service classifications based on similarity of

functions. This is aimed at increasing effectiveness in the planning and management of personnel in the various services. It also enables organisations to be restructured in line with changes that arise from time to time. The changes in the terms of service introduced by the NRS are as follows:

- for certain posts in the support group, qualifications based on talent, relevant experience and expertise are given recognition in place of academic qualifications;
- the period for emplacing officers who have been confirmed in their posts into the pensionable establishment is reduced from ten to three years;
- annual salary progression will be given based on individual performance;
- in-service training will be an important requirement in the career development of public sector personnel; and
- an induction course which replaces the Government General Examination is made mandatory for new employees.

The NRS contains major principles such as flexibility, rate for the job, training and entry qualifications, clean wage, fair comparison, relativity and parity, and differentiation. The NRS has the following eight new features:

- (i) a salary structure that includes a variable component other than the Basic Salary and Fixed Emoluments;
- (ii) each of the new 19 service classifications has provision for new salaries in the form of the Matrix Salary Schedule (MSS);
- (iii) the salary increase for each service classification is different, according to the need and importance of the service. The rate of increase that has been decided upon is between eight and ten per cent;
- (iv) comparison of relativity may only be done between related service schemes in the same service classification and not between the different service classifications;
- (v) salary progression between the 19 MSS may only occur in two instances which are:
 - in the case of an increase from a lower salary grade to a higher grade owing to promotion; and

- between levels in the same salary grade that does not involve promotion;
- (vi) salary progression can occur in four ways, based on individual performance differentials within certain limitations. The four ways in which an individual's salary can progress are *static* for unsatisfactory performance, *horizontal* for satisfactory performance, *vertical* for good performance and *diagonal* for excellent performance;
- (vii) salary progression has been standardised into quarterly adjustments on 1 January, 1 April, 1 July, and 1 October to facilitate salary administration; and
- (viii) the allowances and benefits determined under the NRS are based on four principles, i.e. non-universal, non-regular, non-permanent, and equality. Under the NRS, three new allowances and four additional benefits are introduced. The new allowances are motorcycle repair allowance, refund of parking charges and critical service incentive allowance. The additional benefits involve child care leave, paternity leave, loan for personal computer and membership in recreational clubs.

The Government has also agreed to changes in the following benefits:

- extension of medical benefits to legal parents;
- funeral expenditure for personnel who die while in service; and
- allowing personnel who have been retired on medical grounds to resume service once they have fully recovered.

The NRS did not include a number of agencies that were either of sound financial standing or that were about to be corporatised. These agencies are the Employees Provident Fund; Management and Pilgrimage Fund Board; Armed Forces Superannuation Fund Board; Central Bank of Malaysia; National Savings Bank; Social Security Organisation; Light Dues Board Peninsular Malaysia; Central Mercantile Maritime Fund; Postal Service Department; Kedah State Tithes Office; and Perak State Sports Stadium Corporation.

Civil servants were given the choice to opt for the NRS or to remain in the service structure under the Cabinet Committee Report 1976 (CCR 1976). The time period for the option was from 1 January to 31 March 1992. Those who did not submit their option papers after the closing date were deemed to have rejected the option to be in NRS. Up until 31 October 1992, a total of 675,361 employees, or 99.47

per cent, had accepted the NRS and the remaining 3,597, or 0.53 per cent, had rejected it.

The Government places great emphasis on giving due recognition to and expressing appreciation of civil servants. This appreciation is important to provide motivation to civil servants to improve their performance in line with the aim of providing quality services. Various other measures have been implemented in this area, among which is the Public Service Innovation Awards to recognise individuals for coming out with ideas and implementing them to improve the quality of public service. A civil servant who has successfully introduced an innovation in the service stands to win a cash award of RM 1,000.00 together with a plaque inscribed, "Public Service Innovation Award For The Year..."

Another important measure is the presentation of Public Service Excellent Service Awards to individuals who have rendered services exceeding expectations and the normal responsibilities of the job. Such excellent services are examples to be followed and act as catalysts to diligence and creativity among other civil servants. The winner of the Excellent Service Award receives a certificate of excellent service, a souvenir of value not exceeding RM 300.00 bonus equivalent to a month's salary, and seven days' unrecorded leave with full pay. The name and photograph of the winner is displayed in the office at a strategic location or an areas frequented by the public or visitors.

The NRS has just been introduced over the last two years and its positive effect will only be felt over a longer period once the teething problems of the initial years are overcome.

Supporting material

- (i) Service Circular No. 9 of 1991, 1 January 1992 (in the national language)
- (ii) Report by the Special Cabinet Committee On Salary in the Public Sector (in the national language)
- (iii) Improvements and Development in The Public Service 1992 (Chapter 9, pp 461 - 464)
- (iv) Development Administration Circular No. 3, 1991 entitled "Public Service Innovation Awards", 1 April 1991
- (v) Development Administration Circular No. 2, of 1993 entitled "Guidelines For The Award of The Public Service Excellent Service Awards", 27 January 1991

1.7 Developing a public service code of conduct

Discipline is an important element in public administration. It is necessary in ensuring good conduct of employees as well as the smooth running of government agencies. It entails rules and procedures to be abided by, and any breach of discipline should be followed by appropriate disciplinary action. It also creates the necessary environment for civil servants to carry out their tasks systematically and with greater confidence and commitment. As such, the Government always places great emphasis on discipline.

In order to ensure proper conduct and the maintenance of discipline in the Civil Service, various laws, regulations and circulars have been passed and formulated. A useful guide for civil servants in this respect is the Public Officers (Conduct and Discipline) Regulations 1993 which replaces the General Orders (Conduct and Discipline) (Chapter 'D') 1980.

Discipline is also related to honesty, sincerity and trustworthiness. Officers who are disciplined follow rules and regulations and are willing to sacrifice for the good of the service and the organisation. They uphold good values, are loyal to the nation and hold fast to religious teaching.

The context for change

A high level of discipline in the Civil Service is necessary in order to achieve the following goals:

- highly disciplined civil servants who are responsible and committed to their jobs;
- excellence in job performance;
- high productivity and quality in the delivery of services; and
- a clean Civil Service free from any taint that could mar its image.

In 1991 a comprehensive review on the codes of conduct and discipline for civil servants was undertaken by the Government. This review took into account many new developments in the Civil Service, including the implementation of the New Remuneration System. As a result, changes were made to the General Orders (Conduct and Discipline) (Chapter 'D') 1980 leading to its replacement by the Public Officers (Conduct and Discipline) Regulations 1993.

Implementing change

The Public Officers (Conduct and Discipline) Regulations 1993 stipulate specific codes of conduct, disciplinary procedures and proceedings. Disciplinary action can be taken against a civil servant if he/she has been found to have committed any one of the following misconducts:

- being disloyal to King, Country and Government;
- placing self-interest over public interest;
- conflict of self-interest with public service responsibilities;
- conduct in such a manner that it appears that personal interest conflicts with that of the service or using a public position for self-interest;
- behaving in such a manner as to bring the Civil Service into disrepute;
- being inefficient or lazy;
- being dishonest;
- being irresponsible;
- bringing or attempting to bring outside influence to support or to further interest in the Civil Service whether for oneself or others;
- being insubordinate or conducting oneself in any manner which may be reasonably construed as being insubordinate;
- being untrustworthy; and
- being negligent in the performance of one's duties.

In addition to the stipulation on general conduct, other areas covered include the involvement in outside employment, receiving and giving of gifts, ownership of property, standard of living, borrowing of money, and involvement in politics.

Under the new regulations, all civil servants while on duty are required to be properly attired in accordance with government directives from time to time. Those who do not comply with this regulation are subject to disciplinary action. Those found to be convicted for the possession or consumption of drugs and drug abuse will have their services terminated. A civil servant can be immediately suspended

if he/she is suspected of having committed a criminal offence or a serious breach of discipline.

There are seven types of punishment which can be taken against an employee convicted of a disciplinary offence. These are warning, fine, forfeiture of emolument, deferment of salary movement, reduction in salary, demotion and dismissal. Several measures are also taken to strengthen the enforcement of discipline. These include:

- collecting and supplying information on the abuse of power by civil servants such as the misuse of official cars;
- stepping up of actions and monitoring of disciplinary cases which have been referred by the Anti-Corruption Agency to the heads of departments; and
- having a monitoring system on the management of discipline in government agencies.

In addition to the Public Officers (Conduct and Discipline) Regulations 1993, civil servants are also subject to other relevant regulations and criminal laws. These include:

- the Anti-Corruption Act 1961 (Amendment 1971);
- the Official Secrets Act 1972;
- the Financial Procedures Act 1972;
- Treasury instructions;
- Service Circulars.

Self-discipline is just as important as the discipline required to follow rules and regulations. It requires the individual to cultivate healthy habits and behaviour and must also be determined to pursue continuous self-improvement. Towards this end, various strategies have been formulated to ensure that positive values and attitudes are assimilated in the Civil Service. These strategies are:

- a. Sending civil servants on training courses, seminars and workshops, conducted by local training institutions such as the National Institute of Public Administration and the National Civics Bureau. Officers are also sent to attend training programmes conducted by the Central Official Training Institute in South Korea. The aim is to enable them to be infused with the ethics, diligence, progressiveness, discipline and co-operation exemplified by their Korean counterparts.

- b. The publication of books and guidelines on good work ethics and discipline in the Civil Service is another strategy adopted. In addition, articles explaining the various components of attitudes and values required by civil servants are disseminated through official journals and bulletins.
- c. The importance of inculcating good values and positive attitudes is constantly being emphasised by national leaders and senior management in their keynote speeches at important events such as opening of seminars, courses or special gatherings.
- d. Administrative support also plays a major role. In this respect, a psychological test has been introduced in the recruitment of civil servants. For those already in service, the examination questions and promotion interviews contain a component of values and ethics. Those who show capability and practise the values required of them are considered for promotion and rewards.

The Government took further measures to improve the effectiveness of disciplinary control in the Civil Service by streamlining and replacing the Public Services Disciplinary Board Regulations 1972 with that of the new Public Services Disciplinary Board Regulations 1993. The new regulations involve changes to the membership of the Disciplinary Board, its powers and purview. In addition, the various Public Services Disciplinary Appeal Boards under the Public Services Department have been streamlined and replaced by one Public Services Disciplinary Appeal Board, i.e. the Public Services Commission.

Good values, work ethics and discipline are important in influencing the moral character of a civil servant. As such, efforts to inculcate these elements in the Civil Service is a continuous process.

Supporting material

- (i) The Public Officers (Conduct and Discipline) Regulations 1993
- (ii) The Public Service Disciplinary Board Regulations 1993 (in the national language)
- (iii) The Civil Service of Malaysia – A Paradigm Shift (Chapter 7, pp 574 - 580)
- (iv) ‘A Guide for the Administration of Disciplinary Proceedings’ by the Public Services Department (in the national language)

- (v) **‘Upholding the Integrity of the Malaysia Civil Service’ by the Public Service Department**

1.8 Using contractual employment

This entry covers the varying terms under which Malaysian civil servants are employed on a contractual basis. These appointments are subjected to the different regulations outlined by various Service Circulars, Service Circular Letters and several other separate regulations. At the time of writing, we understand that the Public Services Department is streamlining all these rules and regulations and will soon be issuing a new Service Circular pertaining to the appointment and termination of contractual employment.

A great majority of Malaysian civil servants are employed on a full-time permanent basis. The terms and conditions of the employment are detailed out in a formal letter of appointment. However, there are cases where civil servants are being employed on a temporary, contractual or casual basis.

a. Temporary appointments

Candidates can be appointed on a temporary basis when, at the time of making the appointment, the full conditions for appointment on a permanent basis have not been met. Temporary appointed candidates are not assured of being appointed on a permanent basis. However, they are given ample opportunities to fulfil the conditions of the permanent appointment. The duration of a temporary appointment is normally for a period of three years.

The services of a temporary appointed candidate can be terminated if the candidate fails three times to be considered for permanent appointment or his tenure of service has expired at the end of the three-year period, depending on which comes first.

All temporary appointments are made according to approved schemes of service and candidates have to fulfil conditions related to health, criminal record and narcotic addiction. Retired civil servants cannot be re-employed on a temporary basis.

b. Contractual appointments

Candidates can be appointed on a contract basis, according to specific conditions, for a fixed term. The objectives of making appointments on a contract basis are:

- to overcome the problem of shortage of experts or skilled personnel in specific areas;
- to carry out a specific duty for a required period of time;

- to fulfil mandatory service conditions as determined by the Malaysian Government from time to time;
- to enable the employment of those who possess the required experiences, skills and talents but fail to fulfil service conditions with respect to citizenship or the national language as fixed by the service scheme.

A contract of employment can be offered to a Malaysian or a foreign citizen. Civil servants who have reached the age of mandatory retirement or have opted for early retirement can be re-employed on a contractual basis. Candidates for contractual appointments have to fulfil conditions related to health, criminal record and narcotic addiction.

The duration of the initial contract cannot exceed three years but it can be renewed or extended according to requirements. In cases of renewal, the duration cannot exceed two years and if a contract is extended, it cannot be for more than a year. In the case of a foreigner, the maximum period of contract is limited to seven years. However, the minimum contract period is six months.

c. Casual appointments

Casual appointments are made to meet short-term needs such as unexpected increases in workloads. These appointments are not backed by permanent posts. In general, the maximum length of a continuous appointment is six months but it can be less. Casuals cannot be recognised as fully-fledged employees under existing service regulations. As such, they are paid on the basis of each day of work.

Full details of all these different types of employment are set out in the Service Circular pertaining to the appointment and termination of contractual employment.

The various types of temporary appointments are made for the following reasons:

- to enable a specific job to be completed within a stipulated time period;
- the time in processing such appointments is shorter because it need not follow the procedures normally taken for making permanent appointments; and
- to enable the Government to employ people with special talents, skills and experiences.

With the exception of casual appointments which can be made by a head of department, all other types of temporary appointments have to be made by approved

Appointing Authorities such as the Public Services Commission. In cases of contractual appointments made without the creation of permanent posts, approval has to be obtained from both the Treasury and the Public Services Department.

Supporting material

Draft Service Circular pertaining to the appointment and termination of contractual employment (not yet available)

1.9 Workforce size control

Generally the size of the Civil Service is determined by the roles played by the Government. The more extensive the roles of the Government, the larger is its Civil Service. It is therefore imperative that efforts are constantly carried out to fine-tune the size of the Civil Service so that it is in congruence with the existing needs and changes in the environment.

The context for change

The principal objective of the efforts to right-size the Civil Service is spurred by the need to curb the growth of the public machinery. This is to prevent public operating expenditure from becoming a burden to the Government. In addition to reducing the financial burden of the Government, the efforts taken are also aimed at ensuring a stable, lean and effective Civil Service.

There is a Cabinet policy on the growth of the Civil Service which stipulates a rate not exceeding 0.53 per cent per annum from 1989 till 1995.

Implementing change

In order to ensure that efforts at right-sizing the Civil Service are carried out smoothly, the Steering Committee on Reduction in the Size of the Public Service was formed in 1984. This Committee is responsible for considering changes to the administrative system, institutions, posts and personnel as well as their implications. It also monitors and studies proposals involving the establishment of new districts, minor districts and change in status of a local authority by any state government before submitting for Cabinet approval. With the Steering Committee, various measures were taken to control the size of the Civil Service. Some of them are explained below:

a. Control in the creation of posts

Priority has been given to creating posts in critical areas which would contribute to the growth of the economy and the competitiveness of the nation. These priority areas include economic/commercial activities, revenue collection, research and development, and human resource development, specifically in technical fields, education, health and law enforcement.

b. Review on the status of vacant posts

Vacant posts which are no longer required, or which do not add value to the performance of the agency, will be abolished as a move to reduce the size of the Public Service. Measures are being undertaken to abolish posts vacant for more than three years, except for those vacant because of a shortage of candidates in the technical and professional fields. Attention is also focused on the support group which has the largest number of vacant posts.

c. Re-organisation of agencies under the New Remuneration System

The organisational structures of agencies need to be changed in order to create a flatter organisation and optimise the use of resources. Through restructuring, a number of posts can be abolished based on a review of the existing functions of agencies. For this purpose, the book on "Guidelines on Re-organisation of Organisation Structure under the NRS" has been disseminated to all government agencies.

d. Review of the status of statutory bodies

A review of the status of statutory bodies, including the Regional Development Boards, was initiated. Such a review was necessary as they were found to be duplicating functions, had achieved their objectives or were carrying out roles and functions similar to government departments. The review on Regional Development Boards has been completed and has resulted in the abolishment of a number of posts.

e. Enhancing the pace of the privatisation programme

The privatisation of government agencies/services continues to be actively pursued as a strategy to reduce the size of the Public Service. Since its implementation in 1984, a total of 86 projects have been successfully privatised. They involve the transfer of 86,171 government personnel to the private sector. The savings on government operating expenditure totalled RM 4.8 billion a year, while the revenue derived amounted to RM 10.7 billion. In 1993, twenty-one government entities were privatised. It is envisaged that the privatisation programme will reduce a total of 161,621 employees.

f. Use of computers and office automation equipment

The use of computers and equipment for office automation in government agencies has expedited daily routine work as well as cutting down on the usage of existing staff. The excess workforce, therefore, can be redeployed to carry out new activities without the need to create additional posts. Efforts are currently being

undertaken to formulate performance indicators related to work on computers and office automation equipment. These will provide guidelines to determine establishment needs in government agencies.

Supporting material

The Civil Service of Malaysia – A Paradigm Shift (Chapter 11, pp 663-673)

1.10 Human resource planning system

A human resource planning system is a system which provides the employer with various forms of information on its employees, both permanent and temporary. Such a system may also be known as 'staff records system', 'personnel records system' or something similar. In the case of the Malaysia Civil Service, human resource planning system is maintained centrally as well as by individual government agencies. The human resource planning system maintained by individual departments is mainly for purposes of administering the payroll and budget estimates.

This entry touches on the central human resource planning system called the 'Public Sector Establishment and Staff Information System' which is maintained by the Government Staff Records Centre, Public Services Department. All government agencies are required to furnish the Centre with information on their employees as directed by the Service Instructions 1974 and the Service Circular Letter No. 3 of 1988.

The Public Sector Establishment and Staff Information System contains information on all establishments and employees of the Federal Civil Service, State Civil Services, Statutory Bodies (both federal and state) and Local Authorities, except the Police and the Armed Forces. The various categories of employees whose data are available in the information system are:

- permanent staff, including those under probation;
- contract staff;
- temporary staff with more than a year's service;
- temporary staff with less than a year's service but waiting to be appointed on a permanent basis; and
- members of the Police and the Armed Forces serving in posts not belonging to the Police or the Armed Forces.

The information on employees covers a wide range of data such as the personal particulars, length of service, salary, academic qualifications, record of training, work experience, and even particulars of family members.

The main users of this system include the Public Services Department; several units in the Prime Minister's Department, such as the Economic Planning Unit, the Implementation and Co-ordination Unit and the Malaysia Administrative Modernisation and Management Planning Unit; other government agencies; unions and staff associations.

The central system is essential because it facilitates the administration and development of an efficient and effective personnel management. It also assists in salary revision, manpower planning, preparation of budget estimates and surveys. The system also enables an employee to be contacted out of office hours.

Information in the Public Sector Establishment and Staff Information System has to be updated constantly and continuously. As such it requires data from all government agencies which are submitted through using various standard forms. These forms are:

- a. Form PR.JPA 2(Pin.1/88) – information on personal particulars, service and salary;
- b. Form PR.JPA 4 – information on academic qualifications;
- c. Form PR.JPA 5 – information on training;
- d. Form PR.JPA 6 – information on family;
- e. Form PR.JPA 7 – information on work experience.

The Public Sector Establishment and Staff Information System is maintained by the Government Staff Records Centre by two computerised systems. One is the Staff Data System and the other is the Establishment Data System. Information published annually includes the Annual Statistics on Civil Servants in Malaysia, the List of Officers in the General Administrative Service, and Book of Service Statistics. Information published semi-annually are the Statistics Bulletin and the List of Officers in the Diplomatic and Administrative Service. Information is also available on request and those requesting classified information have to get clearance from the higher authorities.

In managing the Public Sector Establishment and Staff Information System, the Government Staff Records Centre uses the computers in the Implementation and Co-ordination Unit, Prime Minister's Department on a time-sharing basis. Steps are being taken to upgrade the management of the information system with the use of a modern and up-to-date system as part of the computerisation programme in the Public Services Department. The development of information systems is closely linked to *information technology support* which is elaborated on in a separate entry in this series.

Supporting material

- (i) Service Instructions 1974, Chapter 2 (in the national language)
- (ii) Service Circular Letter No. 3 of 1988 (in the national language)