



PUBLIC ADMINISTRATION REFORMS IN MALAYSIA: A Developing Country Perspective

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Since attaining its independence in 1957, Malaysia has seen a remarkable change in its public service organization. The reforms that the Malaysian civil service has undergone as part of the country's national transformation are nothing less than phenomenal. Through a series of innovative changes and a perceptive reorganization, Malaysia's civil service has been transformed from being a caste apart from the public into an organization dedicated to serving and meeting the needs of the public. This paper explores the circumstances that led to the metamorphosis of the Malaysian civil service and the values that brought it about. It also examines the policies and practices underpinning the political and economic framework of the country since independence, and how these led to an administrative reformation.

Background

A brief description of the Malaysian bureaucracy since independence is necessary in order to appreciate the administrative reforms and changes that have since transformed the Malaysian civil service to its current dynamic position. When Malaya achieved her independence from the British on 31 August 1957, the country inherited a new independent Government based on parliamentary democracy similar to that of its previous colonial rulers.

Tunku Abdul Rahman, the country's first Prime Minister, began to lay the foundation for the systematic administration of the new nation. The Federation of Malaysia was formally established on 16 September 1963. It consists of the Federation of Malaya in Peninsular Malaysia and the states of Sabah and Sarawak on the island of Borneo in East Malaysia. Demographically, the population of Malaysia is composed of three major ethnic groups: Malays

(12 million), Chinese (5.3 million), and Indians (1.5 million).

In the initial stages of its economic development, the country was dependent largely on its exports of raw materials such as rubber, tin, timber, palm oil, and pepper. Today the country is moving fast toward an industrialized economy.

The supreme head of Malaysia is the Yang di-Pertuan Agong (the nearest western equivalent is "king" or "sovereign"), who serves a five-year term as both the Head of State and the religious head of the official religion, Islam. According to the Constitution, every act of Government flows from his authority, although he acts on the advice of the Cabinet.

Malayanizing the Bureaucracy

Like all developing countries in Southeast Asia that obtained independence from colonial rule, Malaya adopted an "ization" policy in the civil service. The Malayanization program was carried out in stages with generous compensatory terms, thus preventing an exodus of expatriates. In many cases, an expatriate was requested to retire only when there was an understudy to replace him/her. This process of replacing the expatriates while enlarging the bureaucracy made for smooth transition, and the Malayanization process was less painful than the experience of other former colonies where no such preparations were made.

In 1957, expatriate officers staffed 67 percent of all Malayan Civil Service posts (about 1,564 officers). By early 1963, only 9.2 percent of the expatriates (24 officers) remained.¹ In the technical and professional fields, the Malayanization process was

¹ Tilman, R.O. 1964. *Bureaucratic Transition in Malaya*. Durham, N.C.: Duke University Press.

extended over a much longer period, as there were limited numbers of local officers to replace the expatriates, and training first had to be expanded. By 1980, there was almost a 900 percent increase in the size of the bureaucracy.

The Need for Administrative Reforms

After independence, the role of the civil service remained relatively unchanged. In the late 1960s, however, strong pressure was exerted upon the civil service to increase its performance and play a more developmental role.

Fresh from the triumphant general election of 1964, the Alliance Government sought to fulfill its promises of increasing the welfare of the citizens and raising the standard of living of the masses. It appeared, however, that the burdens the bureaucracy had been asked to shoulder since Independence had increased more rapidly than their capabilities. So, in 1965, the Government of Malaysia obtained the services of a team of consultants to undertake a review of the public administration. This was the first time in the history of the public service that a deliberate attempt was made to study the administrative systems of the country with a view to suggesting reforms and innovations. The main objective of the study was, "to improve the administrative system and achieve efficiency and administrative leadership in the public service to meet the needs of a dynamic and rapidly developing country."²

The Report recommended improving administrative systems by speeding government action, reducing costs, and improving the quality of service.

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² Montgomery, John D., and Esman, Milton J. 1966. *Development Administration in Malaysia*. Kuala Lumpur: The Government Printer.

Proposal for Government Action on Administrative Reforms

As a result of the study undertaken by the consultants under the Ford Foundation, a proposal for reformation of the Malaysian public service was recommended. The most important proposals drew attention to the need for three major governmental actions.

- Creation of a Development Administration Unit in the Prime Minister's Department, staffed by professional management analysts. This Unit would plan and guide the major problems of administrative improvement. It was intended that the Unit would focus on Government-wide systems, such as those involving personnel and career development, budgeting and expenditure control, procurement and contracting. It would also help the various Government departments and statutory bodies plan and implement their own management improvement activities.
- Improvement of the Government's education and training programs for all levels of the civil service. One such program was the creation of a graduate study program in development administration at the University of Malaya. Also, it suggested that mid-career university-level education should be provided to professional officers. Finally, it envisaged that expanded in-service training facilities should be made available to technical and clerical staff, and that periodic seminars be held for senior officials.
- Strengthening of professional competence of the civil service so that it could provide the

necessary administrative leadership for the rapidly developing country. This called for a post entry university course in development administration for all newly selected officers.

The Report was accepted by the Government, the Development Administration Unit (DAU) was set up, and began functioning in November 1966. Training programs for all levels of the civil service were introduced and the professional capabilities of the administrative officers were strengthened.

During the 1960s, the bureaucracy faced many problems while implementing rural development programs. The then Prime Minister, Tun Razak, was prompted to equate them as the "seven deadly sins" of bureaucracy. These were:

1. interdepartmental jealousy in the course of day-to-day execution of governmental functions and conflicting departmental policies;
2. a lack of coordination between departments in what they were trying to do in the rural areas;
3. a complete lack of cooperation between officers on the ground, mostly due to a lack of understanding of each other's tasks;
4. every department thinking its actions were the most important;
5. a lack of proper planning in various departments resulting in an unfit master plan for the rural areas;
6. a lack of a master plan at all levels for the purpose of achieving the maximum development of rural areas; and
7. a lack of sufficient directive control at the top to ensure that Government in the rural areas functions as an efficient machine manned.³

³ Fisk, E.K. 1963. *Features of the Rural Economy*, in T.H. Silcock and E.K. Fisk (eds.). *The Political Economy of Independent Malaya*. Canberra: Eastern Universities Press.

The Operations Room Technique

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These "deadly sins" created bottlenecks in the Government administrative machinery and slowed down economic development. It was imperative that administrative reforms of the entire civil service should also impact positively upon administration of the rural sector and enhance improvements of the whole economy. It was then that the Operation Room (OR) technique was mooted as an administrative effort to foster rural development. OR comprised several mechanisms such as the Committee System, the Operations Room, the Red Book Plans, the Briefing Method and Field Inspections, as well as the Adult Education and Community Development.

The OR technique was a successful mechanism for improving communication and coordination within the planning organization. It operated especially well at district levels. For minor rural projects, the system circumvented the authority of the state, and gave direct supervisory and responsibility to district committees, though it also allowed for accountability at the state level. For minor rural projects, the system facilitated both funding and spending for the development projects.

The technique also boosted team spirit and cooperation between generalists and technical personnel. Both served as one team and as a result, they perceived rural development as a common objective. The system also helped foster relations between civil servants and politicians. By mobilizing their close cooperation towards a common goal, it promoted greater understanding of the roles of different sectors in rural developments. In this way, the conflict between bureaucrats and politicians that had previously existed at the state and local levels was minimized.

There were several factors contributing to the considerable success of the OR technique. The single most important factor was the top level directional control exercised by Tun Razak, who exerted control both at the ministerial level and at the local and state levels. In 1976, changes were made in the OR Technique, including new monitoring techniques and more provision for feedback from less developed states.

The Process of Administrative Change — The First Phase

While the OR technique concentrated on speedy rural development, DAU concentrated on the major systems of the whole Government administration. After having operated for a few years in its original form, in 1972 DAU and its functions were incorporated into a new body, the Implementation, Coordination and Development Administration Unit (ICDAU). ICDAU was responsible for coordinating the government's policies in all departments and agencies and improving administrative methods.

The role and mandate of DAU in instituting administrative reform, however, was not clearly spelled out in the new body. Moreover, DAU was eclipsed by emerging needs and the urgent task of expediting and coordinating the implementation of development policies.

Important changes were therefore made in 1976. The development administration part of the ICDAU was transferred to the National Institute of Public Administration. The objective of the new institute was to develop its capacity for management auditing and to offer management consultancy services to public corporations for closer coordination of their operations. The remaining functions of the ICDAU were to be performed by the Implementation Coordination Unit (ICU).

Second Phase of Malaysian Administrative Reforms — The Establishment of MAMPU

While the establishment of DAU and ICDAU provided the first phase of administrative reforms and their foundation, they outlived their roles in meeting the urgent requirements of expediting and coordinating the implementation of development policies. The administrative machinery faced increasing demand on its capacity with greater complexity and a multifold increase of administrative functions.

By 1977, the urgent demands for improving the effectiveness of the civil service resulted in the establishment of the Malaysian Administrative Modernization and Manpower Planning Unit (MAMPU). The background to the setting up of MAMPU can be traced to Dr. Mahathir Mohamad, then Deputy Prime Minister. Dr. Mahathir was responsible for initiating the establishment of MAMPU, while the writer of this paper was given the onerous responsibility of conceptualizing the structure, functions, and role of this new organization.⁴ The concept paper of this dynamic organization was accepted when presented to Dr. Mahathir, and soon MAMPU was established and supported by the political leadership as the unit for modern administrative reforms in the Malaysian civil service. MAMPU was established after cabinet approval through Cabinet Paper no. 207/1079/97.

MAMPU was located in the Prime Minister's Department to give it sufficient political leverage to carry out directed programs of reform. There were two main tasks of MAMPU in carrying out administrative modernization and human resource development. The objectives were (i) to provide management consultancy services to Government organizations;

⁴ Abdullah Sanusi Ahmad, 1994. *Perkembangan Pentadbiran Awam dan Pengurusan* (Development of Public Administration and Management), Kuala Lumpur: Dewan Bahasa dan Pustaka.

(ii) to carry out administrative reforms, update public administration, and strengthen administrative capacity for implementing national economic plans effectively; and (iii) to coordinate activities on human resource planning and human resource development and deployment. MAMPU successfully initiated and instituted changes in the area of field administration, and dedicated itself to the creation of a model district office to improve the delivery of services to the people at the grassroots level. At the same time, MAMPU mooted the master plan for human resource planning and budgeting at the national level. These actions were in line with its establishment objectives of spearheading administrative modernization and reforms at the Federal, State and Local/District levels.

When Dr. Mahathir became Prime Minister in 1981, MAMPU continued and expanded its role, reinforcing administrative changes and seeking to further modernize the civil service. This period of administrative reforms marked the beginning of the third phase of Malaysia's administrative reforms, which highlight the leadership dynamism and visionary perception of Dr. Mahathir.

Political Leadership and Administrative Reforms — The Third Phase

Dr. Mahathir's tenure as Malaysia's fourth Prime Minister since 1981 signaled dynamic change in Government administration. Under Dr. Mahathir, a series of policies and actions started a new dimension in Malaysia's political and socioeconomic development. It also highlighted the necessity of a civil service that works closely and in tune with the political leadership in every aspect of Government operations. To achieve success, the dynamism of leadership has to be transmitted to the bureaucracy.

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Given the opportunity and the right political support, the public sector can accept the challenges of change and reform. The administrative reform movements of the 1980s and the present economic and business management era have shown that administrative reform and political leadership priorities are intersupportive and complementary.

During this phase of administrative reforms, major innovations and ideas were introduced and encouraged by the present top leadership. For instance, the Government began to liaise with the private sector under the concept of Malaysia Incorporated. This means that Malaysia under Mahathir should be viewed as a company in which the Government and the private sector are both owners and workers. Mahathir also believes firmly in "leadership by example" which became the slogan of his administration. Another drastic change in his administration is the Look East Policy. Under the policy, the people of Malaysia were encouraged to change their traditional views of Western countries as role models and to look instead towards Japan and South Korea as the Asian blueprint for economic success.

A clean, efficient, and trustworthy concept of Government emerged from the Look East Policy. New systems, techniques, and procedures of administration were introduced in search of increasing efficiency and effectiveness in public service. Matters of reexamination included diligence and discipline at work, loyalty to the nation and to the enterprise, emphasis on quality, productivity, and management systems that concentrate on long-term achievement rather than short-term increases in dividend.

The management of the nation was geared toward more efficiency so as to achieve political stability and development. Work manuals and filing systems were introduced. Civil servants were encouraged to be more punctual and efficient. Name tags were worn by all civil servants to make them more

personally accountable to the general public. Time clocks were installed at every Government office to ensure that the stated working hours were strictly adhered to. The shift in attitude towards the East was accompanied by a greater emphasis in Islamic values within the administration itself. A fresh move against corruption and mismanagement was launched, and steps were taken to weed out corrupt officials. Some civil servants resigned immediately on hearing that the new Prime Minister was planning to remove them from office.⁵

In each of the areas of reform efforts, Mahathir has shown his interest and commitment in achieving the expressed goals of his policies. Administrative reform is a continuing process, and political leadership is vital in determining the fate of any reform at any given time. In the absence of strong leadership traits, reforms are often doomed to failure. Mahathir's emergence in the midst of bureaucratic inertia had a profound effect on policy reforms.

Reforms Towards Improvements In the Malaysian Civil Service

The civil service in any country is the backbone of its Government. The continuous succession of innovative programs and policies of Malaysia's civil service have culminated in an economy of high growth and achievement. Importantly, this symbiotic partnership between political leaders and civil administrators must be perpetuated; otherwise the progression will simply halt. In any developing country, the implementation of policies and action plans of the nation as a whole is carried out mainly through the civil service. It is the strongest agent of the Government.

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⁵ Tilman, Robert and Tilman, Jo H. 1977. *Malaysia and Singapore 1976: A Year of Challenge, A Year of Change*, in **Asian Survey**, February 1997, Vol. XVII, No. 2.

Hence, in perpetuating economic growth and national development, administrative reform in the civil service and the building of a positive partnership with the political leadership are basic fundamentals to a developing nation's growth and success. The Malaysian civil service, through the various stages of administrative reform, has emerged a highly improved and versatile organization, spearheading the country's course into the twenty-first century. As Dr. Mahathir said: "We should be grateful because we have an administrative machinery which we can be proud of. It is not only efficient, disciplined and productive, but also provides quality service and is comparable to the administrative machinery found in more developed nations. This has enabled our nation to implement the development process in a smooth and effective manner."⁶ It is imperative at this juncture to summarize the achievements and improvements made by the Malaysian civil service.

Administrative Programs for Improvements

The Malaysian civil service has undergone major changes in its adaptation to the transformational agenda for national development encapsulated in the nation's Vision 2020 policy (the year in which Malaysia will achieve the status of a developed nation). The process of transforming the Malaysian civil service into a culture of excellence involved making incremental but significant changes — changes that encompassed not only structural and system adjustments but shifts in the values and the mindset of civil servants. The core values inculcated through a paradigm shift included quality, productivity,

⁶ Government of Malaysia 1994. *The Civil Service of Malaysia: A Paradigm Shift*. Kuala Lumpur: Government Printers.

innovation, integrity, discipline, accountability, and professionalism. To enable the implementation and coordination of administrative improvement programs in the civil service, a permanent committee called the Panel on Administrative improvements to the Civil Service was established and chaired by the Chief Secretary to the Government. The Panel has the role of ensuring that administrative improvement efforts are undertaken throughout the civil service on an ongoing basis. The overall objectives of the Panel are to

- (i) to generate ideas and programs to further improve the system of public administration, and
- (ii) to identify concrete measures to bring about improvements in public administration.

Quality and Productivity Management

Quality management is an important area of emphasis in the civil service, where it provides the foundation for the inculcation of quality in all public organizations and service. Since 1991 the civil service issued a number of guidelines to assist Government agencies in implementing quality management programs through the Total Quality Management concept.

The involvement of supporting staff was actively encouraged through Quality Control Circles (QCCs). Through this process supporting staff were provided the opportunity to utilize their skills and talents in initiating innovative ideas to increase the quality of services provided. In 1994, MAMPU was given the responsibility of promoting and monitoring the progress in the implementation of QCCs at all levels, while the National Institute of Public Administration concentrated on the training aspect. The

policy of setting standards according to ISO 9000 and ISO 14000 is seen as a serious attempt to improve standards and quality, not only in service but in products of international acceptance.

Client Charter

The concept of a client charter was introduced by the civil service in June 1993 and has since been implemented by 318 Government agencies and departments.

The client charter is basically an assurance on the part of the department concerned as to the quality, features, and standards of the products or service produced for its customers. This represents a major new initiative on the part of the civil service to be more efficient and customer-focused. The concept of a client charter was introduced by the civil service in June 1993 and has since been implemented by 318 Government agencies and departments. This charter has improved the quality of Government services, especially in speeding up the delivery process. The client charter operates in tandem with QCCs, where the continuous monitoring and work improvements form the basic principles of civil servants.

Counter Services

In the past, the general consensus concerning counter services operated by Government agencies and departments was that these services were slow, indifferent, and cumbersome. Bearing in mind that counter services are actually the front line service (since the public's first contact with the department is with the counter staff), effective and efficient counter services cannot but enhance the image of any organization. Towards this end, the civil service devised a strategy to reform the culture of counter service staff to become more perceptive to the needs of the public, who are now termed customers and/or clients. Counter service improvements which were

initiated in 1991 can be used as a barometer for evaluating Government services.

The measures undertaken to improve counter service include reducing waiting time; establishing different types of counters such as one-stop counters or drive-in counters; and enhancing the level of comfort of waiting customers by providing more comfortable chairs, airconditioning, piped music, and television. The initial response from the public was one of skepticism, but when the effects of the improved counter services began to be realized, especially in the critical departments (immigration, land office, transport department, local authorities), the public was delighted at the reduction in red tape, and the improvements of counter staff services.

Malaysia Incorporated

The Malaysian Incorporated Policy was launched in 1983 in an effort to realize greater national economic development goals through close cooperation and collaboration between the public and private sectors. As partners under this concept, each sector adheres to the perception of the nation as a corporate or business entity jointly owned by both sectors. Malaysia Incorporated is based on the precept that the public sector is the facilitator, fulfilling the needs of the private sector; and the private sector, having secured the cooperation of the public sector, becomes the engine of growth for the nation as a whole.

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Privatization

The Privatization Policy was introduced in Malaysia in 1983. It complements the Malaysia Incorporated Policy and encourages private sector participation in Government. Through this policy, activities of

the public sector can be transferred to the private sector. Privatization is two-prong strategy in Malaysia. Firstly, it reduces the Government's presence in the economy, thereby decreasing public spending; secondly, through privatization, market forces are allowed to determine economic activities. Since the implementation of the Privatization Policy, 116 projects have been privatized (of which 88 are existing projects involving the taking over of Government functions by the private sector, and 28 new projects involving the construction of infrastructure and utility projects that have been privatized). Indeed, privatization has reduced the size of the public sector and succeeded in relieving the financial burden of the Government though savings made in terms of operating expenditure and development. On the whole, the benefits to the public have been immense. The creation of new companies provides a significant source of new listings in the stock exchange. Efficiency and innovation have improved because of the need to compete in the open market; and the transfer of technology an upgrading of skills of the staff involved have opened up more opportunities and avenues for them.

Performance Appraisal at the Individual Level

While quality performance can be measured by perceiving the organization as a whole, however, the contribution of each individual to the enhancement of the organization should not be overlooked. In this regard, the civil service implemented a new system of performance appraisal to measure and evaluate the annual performance of civil servants individually. The purpose is to eventually reward an individual who has been recognized as an excellent worker

with promotion and salary progressions. Evaluations are based on achievements of annual work targets and other criteria by the superior officer. The concept of performance appraisal for the individual is in line with the civil service's overall notion of managing for results. By rewarding individuals who have performed well, other workers will be influenced and encouraged to improve themselves. Ultimately, the organization as a whole benefits through increased efficiency and productivity.

Moving Into Information Technology

With the emphasis on increasing quality, efficiency, and productivity in the public sector, the development of sophisticated machinery and equipment is inevitable. The public and private sectors need to develop information technology (IT) infrastructure that can support and sustain Malaysia's Vision 2020. Within the public sector IT can no longer be viewed solely in the context of transaction processing or management information systems, but in terms of the capability of improving performance of individuals in organizations.

As Malaysia gears up for a culture of a paperless administration in the civil service, all Government departments will be computerized. A strategic investment in IT was introduced with this goal in mind. Under the auspices of the Government, MAMPU set up an IT Division which comprised the IT Department and the Civil Service Link in 1994. The main task of the IT department is to oversee the computerization of government ministries and agencies, while the Civil Service Link is a one-stop resource center that serves as repository or database where users, particularly the private sector, can be linked up to obtain information on the public sector.

The Government's seriousness of purpose in pursuing the IT agenda was strengthened recently when Dr. Mahathir launched the National Information Technology Agenda, which will transform the nation into a center of excellence for multimedia technology. The most important tasks of the agenda are the creation of the Multimedia Super Corridor and utilizing IT to create a balanced development for the country in the areas of people, infrastructure, and applications. Positive actions have also been undertaken on the ground with the establishment of a Multimedia University, the setting up of "smart schools," and a futuristic administrative center for the Government at Putra Jaya along the Multimedia Super Corridor. In propelling the nation towards a paperless administration, both the political leadership and the civil service need to nurture a culture of IT literacy and usage in Malaysian society.

Conclusion

This paper has outlined some of the successful programs that have been launched and practiced by the Malaysian civil administration. Even though administrative reform and transformation in Malaysia began more than a quarter of a century ago, it remains an ongoing process, for it is our belief that the path to excellence is fluid and has no end.

Within the Malaysian context, administrative reforms that have been undertaken successfully are even more significant in view of the fact the ours is a multiracial society. Although there are other variables that determine the success of administrative reform, at least in a developing country like Malaysia, political stability is one key variable that can ensure progress and achievement in civil service transformation.

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In developing nations, the civil service plays a crucial role and must be both efficient and effective. Hence, a successful transformation of the civil service will serve to enhance the country's vision, its mission, and its plan. In this respect, the experience of administrative reform in Malaysia has illuminated the fact that a well-planned civil service reformation can culminate in greater national and economic growth to the benefit of its citizens.

As aptly stated by the Malaysian Premier, "Malaysia should be proud of its success and its efficient administrative system. Because of our success in the administrative system we have earned the respect of the others and are able to stand tall even amongst the developed countries."