IMPROVING THE EFFICIENCY OF THE PUBLIC SECTOR:
A CASE-STUDY OF MALAYSIA

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INTRODUCTION

1. A shining example of a success story in economic transformation, Malaysia is a country that has sought and achieved economic development while maintaining its traditional culture and values, and it has judiciously adapted the civil service to support its national objectives.

2. Since independence in 1957, public sector reform has been a part of the Government's agenda. In the 1980s reform revolved around the need to improve the quality of public sector management and to shift the responsibility for economic development to the private sector. To improve the quality of service offered by public sector agencies to clients at the "service" counter, the Government took several measures to improve existing procedures and systems, introduced office automation and information technology to strengthen information and service delivery, and enhanced the capacity of district administration. Realizing that values and ethics are critical for the provision of "quality" service, the Government launched several programmes to inculcate desirable values, such as honesty, discipline, integrity, dedication, accountability, trustworthiness and efficiency among the public servants. The administrative reforms of the nineties were guided by the underlying philosophy of quality, with emphasis on administrative improvements, enhancement of information technology, improvement of information, and service delivery.

I. PUBLIC SECTOR REFORMS

3. Since independence, the Malaysian public service has been entrusted with the twin task of socio-economic development and nation-building. To ensure success a series of administrative reforms or modernization efforts in the public service were undertaken.

4. Each reform effort can be seen as a product of environmental factors (particularly economic conditions and societal demands) and the developmental policies and objectives of the Government. The administrative reforms introduced since independence can be classified into the following focus areas, namely:

(a) Structural changes;

(b) Improved productivity and delivery of services;

(c) Office automation and information systems technology for the public sector;

(d) Measuring efficiency and effectiveness;

(e) Improving performance reporting in the public sector;

/...
(f) Total quality management;

(g) Attitude and behavioural changes;

(h) Strengthening statistical capacity;

(i) District administration.

**Structural changes**

5. Upon independence, the Government inherited the administrative machinery left by the British. The primary orientation of the colonial bureaucracy was towards the maintenance of law and order, revenue-collection and a restricted developmental role. Known as the maintenance administration phase, it covered the pre- and post-independence period (1950s and 1960s).

6. The major impetus for change, however, was provided by the Esman-Montgomery report to the Malaysian Government of 1966, which recommended major changes in public administration, education and training. The report represented a milestone in Malaysian administrative reforms because it led to a change in approach and philosophy that resulted in a shift from maintenance administration to development administration. The primary message of the report was that the administrative system must focus on change and that civil servants must become the key agents of change. The primary role envisaged for the public sector was the promotion of development and institution building.

7. The Malaysian economy was characterized by high growth in the 1960s, and the Government's plan to provide a wider range of goods and services to the populace required the creation of new institutions and the streamlining of others. The creation of new organizational structures as instruments of development must be seen as a major reform effort, albeit at a structural level, to provide new and expanded services. With the formation of Malaysia in 1963, the focus on institution building and development administration became even more fervent as the Government embarked on more development projects to ensure the success of the new political entity.

8. There was a need for a civil service that could deliver more effectively and efficiently the new and expanded services and implement socio-economic development programmes. Based on the recommendation of the Esman-Montgomery report, the Government established the Development Administration Unit (DAU) within the Prime Minister's department to reorient the public sector in its operational style and thinking – and to focus on development rather than solely on maintenance functions. The Unit was established as a centre for reform efforts and was charged with identifying and implementing administrative improvements in the public service. Since its establishment, the Unit has conducted a number of important studies on organizational structures, processes and procedures and has made a series of recommendations to bring about administrative changes in the public service.

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9. A renewed sense of purpose and urgency followed the introduction of the New Economic Policy in 1971. New institutions, primarily public enterprises, were established as the developmental role of the Government was expanded even further in the face of a weak private sector, and high premium was placed on training and upgrading the skills as well as the knowledge of civil servants to augment their developmental roles. The study by the Development Administration Unit on training needs in the public service and its recommendation for short-term and long-term plans for upgrading training facilities in the civil service led to the establishment of the National Training Institute in 1972. This resulted in a large number of public sector employees being trained at the Institute in the area of development administration.

10. Major initiatives in the areas of personnel management were also recommended in the Esman-Montgomery report. In the area of public personnel management, there was a review of the recruitment, promotion, discipline and personnel evaluation policies and practices. This resulted in the reorganization of the Federal Establishment Office in 1970 to form the Public Service Department (PSD) as a separate institution. As a central personnel agency, it was entrusted with the responsibility for initiating and implementing personnel management policies that would increase the efficiency and effectiveness of the public service. The Department also had a Training and Career Development Division. Better personnel management policies, coupled with the training provided at the Institute, led to the upgrading of the public service capabilities.

11. A significant development in the history of the public service was the establishment of the Malaysian Administrative Modernization and Manpower Planning Unit (currently known as the Malaysian Administrative Modernization and Management Planning Unit, or MAMPU) under the Prime Minister's department in 1977. In line with the Government's objectives of introducing changes and innovations into the public service, MAMPU was given the responsibility of studying and identifying the major problems facing administrative development at all levels of administration and suggesting measures to overcome them. The establishment of MAMPU integrated the responsibility for administrative and developmental change in one organization. MAMPU continues to initiate and spearhead administrative improvements and modernization efforts in the public service.

**Improved productivity and delivery of services**

12. In the early years of independence the orientation was towards expanding the range of goods and services offered to the people through institution building, resulting in the expansion of the civil service to take on the responsibility for development. The main thrust behind administrative reform efforts thereafter was to upgrade administrative institutions in order to promote organizational efficiency and effectiveness towards attaining national developmental goals.
13. The rapid transformation of the country into a modern nation State led to major societal changes. Better education and growing affluence led to greater needs and demands for public goods and services to which the system had to respond quickly and adequately. The large civil service and the consequent increase in public expenditure soon became the prime target of criticism. The growing bureaucratization was blamed for the increase in red tape and inefficient management of public expenditure. Whereas economic growth was a feature of the 1970s, the 1980s was characterized by slower growth and budget deficit. Though required to maintain stringent policies of austerity, the Government was also committed to continue meeting the distributive and equity objectives of the new economic policy, originally premised on a rapidly growing economy. These constraints produced a shift in attitude regarding the role of the public service, and there were demands for a review of the size and operations of the bureaucracy.

Trimming the public service through privatization

14. With the growing sentiments against the direct and active participation of the public sector in economic activities, the emphasis of reform shifted from one of mere administrative improvement and modernization to one of reduction in the size of the civil service and trimming the financial burden of the Government. The public administration machinery was deemed incapable of providing impetus for rapid growth, and the active participation of the private sector in the economic activities of the country became a necessity. Thus, the Government introduced a privatization policy in the early 1980s. This policy outlined the shift of some of the functions that were traditionally performed by the Government to the private sector.

15. The privatization policy has proven to be successful within a relatively short period of time. Since its introduction, more than 150 enterprises have been privatized or incorporated. Among the major government concerns that have been privatized are the Malaysian Airlines System, the Malaysian International Shipping Corporation, the National Electricity Board, the Malayan Railway, Klang Port Container Terminal, the Department of Postal Services and the Department of Telecommunications. The sheer size of these entities and the Government's readiness to relinquish control over them reflect the serious intention of the Government to ensure the success of the privatization policy. Other projects that have been privatized include television Channel 3, Labuan Water Supply, the North-South Highway and the North Klang Bypass.

16. With privatization, the size of the public service has been reduced by about 65,000 people. The financial burden of the Government has also been reduced by about M$ 4.2 million per year in terms of operational expenditures. To further accelerate privatization in the country, the Government has prepared a "Privatization Masterplan" which identifies the strategies and action plan for the implementation of the privatization policy.

Client/counter services
17. A common criticism of the public has been the poor quality of service rendered by the client/counter service staff. As front-liners, the quality of service given by the client/counter service staff will have a tremendous influence on public perceptions of the quality of the public service. Among the major improvements and innovations introduced by the Government are the one-stop counters located on the ground floor of office buildings to answer questions from the public; the use of an electronic queuing system to facilitate queues at counters; and one-stop bill payment centres. The GIRO system also facilitates the collection of fees for several public services at a single counter to streamline the flow and increase public revenue; the on-line computer system enables information to be accessed immediately from the main computer system; and the general information telephone system provides inquiry service via telephone to enable members of the public to obtain basic information without having to go to the counters. In addition to these examples, efforts have been made to upgrade the physical aspects of the client/counter services through the provision of additional counters, better layout, setting up of information counters, "paper-less" bureaucracy, landscaping of offices, provision of directional signs and signposts and other basic facilities for the public.

18. To further assist government agencies in enhancing and systematizing their client/counter services, the Government has prepared and distributed a guidebook outlining a four-stage approach for upgrading the quality of services. To ensure that government personnel efficiently fulfil the needs of their customers, who often use telephones to obtain public services, "A guideline towards the improvement of the quality of telephone communication" was issued. It is intended for use by both the telephonists and other government personnel who frequently provide services over the telephone.

Systems and procedures

19. Realizing that outdated rules and regulations can hinder the Government's efforts to increase the efficiency of the delivery of services, the Government implemented the "Manual of office procedures" as well as corresponding desk files, the "open office system", "procedures on office correspondence" and "management of meetings". The Manual documents all the operations and processes involved in producing the goods and services of a government agency. Based on it, individual officers elaborate on their duties and responsibilities in their respective desk files. Both the Manual and the desk files not only clarify the functions of the organization and the duties of individuals within it, but also facilitate learning and continuity.

20. The introduction of the "open office" concept facilitates communication and close supervision, apart from creating a more business-like atmosphere in government departments. The circulars pertaining to office correspondence and the conduct of meetings are aimed at reducing delays in interdepartmental communication. Hence, the former outlined the steps needed to speed up action to be taken by government departments, while the latter required that meetings be held regularly to identify problems and decide on new measures to resolve them. A standard format for the preparation of minutes of the meeting is also
provided in the circular.

The Client's Charter

21. A recent innovation in the public service is the "Client's Charter". Introduced in 1993, it involves a written commitment by a government agency to deliver goods and services to its customers according to predetermined quality standards. It is now mandatory for all government agencies to formulate their Client's Charter. The introduction of this innovation reflects the commitment of the Government to ensure that agencies are customer-focused. Based on the Client's Charter at the agency level, individual officers are required to write their own Client's Charter which explicitly states the quality of service or output that will be provided to their customers. This makes the process more transparent to the customers. Departments that have formulated their Client's Charter report a significant drop in complaints.

22. To ensure that the services provided meet the standards set by the Client's Charter, agencies are required to undertake a continuous review of their work processes and systems. In the event that an agency is not able to meet its established standards, it is required to take action to ensure that such failures do not recur in the future. The Government has issued an "Implementation guideline for service recovery" to assist government agencies in undertaking such actions.

Process simplification and composite licences

23. In line with the Government's aim to have a "paper-less" bureaucracy and to improve the delivery of services to customers, government agencies have reviewed the amount of information that is required of applicants for a licence or permit, the number of forms that have to be completed, and the number of licences for which application must be made in order to run a business. Often, the customer has to provide much unnecessary information, complete forms in triplicate or more and make separate applications for each permit or licence.

24. To improve the quality of service, agencies have reduced the amount of information that they request of applicants, reduced the number of copies of the forms to be completed and introduced the concept of composite or multiple licences where one application form suffices to obtain several licences from the same organization. Some agencies have even done away with the need to complete forms, as in the case of renewal of motor vehicle registration at the Road Transport Department. Also, to make it easier for investors to apply for licences and permits, the Government has established one-stop licensing system centres. Under this system, an entrepreneur need only go to a centre to apply for and receive all the licences and permits that are required to run a business.

Office automation and information systems technology
25. Office automation and computerization of the public sector has been expanding at an increasing rate over the years. The use of equipment for expediting work processes, enhancing the quality of output and the upgrading of the comfort and safety of personnel are actively promoted. Text processing machines, reprographic equipment, communication equipment and audio-visual equipment are examples of the kinds of automation introduced in the public sector to enhance administrative efficiency and effectiveness.

**Government computer systems**

26. Computers, first introduced in the public service in the mid-1960s, saw a phenomenal increase in the number of mainframe, mini- and personal computers in the public sector in the 1980s. A survey by MAMPU showed that some 636 government agencies were using 59 mainframes, 74 minis and 5,251 personal computers as early as 1986. The range of computer applications has also expanded and currently covers functional areas like finance, personnel, storekeeping, land administration and development. Among the key public sector agencies that have been computerized are the Accountant General's Office, the Employees' Provident Fund and the Road Transport Department. The Public Service Department has an extensive computerized personnel system used for manpower planning and management. The Government also has installed an Integrated Projects Monitoring System which coordinates the computerized information systems maintained by four different central agencies to facilitate the planning, monitoring, and evaluation of projects, thereby avoiding the need for different central agencies to request similar information from the operating agencies. This system is known as the SETIA system. Another system, the Management Information System for Chief Executives, has been installed for use by the Prime Minister, Cabinet ministers and heads of government departments.

**Electronic data interchange**

27. To increase the usage of computers in the public sector and to promote the development of the information technology industry, the Government focuses on the computerization of more government agencies, development of information technology infrastructure, computer security, collaborative efforts with the private sector, training and human resource development for the computer industry and the formulation of the National Information Technology Plan. Another major development was the introduction of the Electronic Data Interchange which is the computer-to-computer exchange of inter- or intra-company documents such as orders, invoices and technical documents. Examples include the Port Klang Community System, the Ministry of Trade and Industry Community System and the Veterinary Community System. Several benefits have accrued to the public service from the use of computer technology. These include: shorter processing time, need for fewer staff, shorter waiting time for clients, faster detection of errors and savings in storage costs.

**Upgrading the use of new technology**

28. In line with its desire to satisfy customer requirements and improve the
quality of service, the Government continues to encourage the use of new
technology. In the area of information technology, the two key focus areas are
the widespread use of information technology as an enabling technology and its
use to improve information and service delivery. The two projects that were
launched in the 1990s to improve service delivery are the Public Services
Network (PSN) and the Civil Service Link (CSL). The PSN is an on-line network
application system which enables the services of the various government agencies
to be transacted by the public at the Post Office counters. Currently, the
system allows the renewal of driving licences and the renewal of business
registration at selected Post Office counters throughout the country.

29. The CSL is a "centre" which acts as the source of various types of
information, particularly those that are relevant to the private sector and
investors. The public service works with the private sector to conduct surveys
of potential users to identify the kinds of information to be kept at this
centre. Currently, it has five databases, namely, (1) objectives, functions,
rules and regulations of Ministries; (2) government tender announcements;
(3) export and import tariffs; (4) trade statistics; and (5) services provided
by government agencies. This computerized information centre is accessible to
all and will ultimately be linked to all important ministries and departments
that possess important economic and technical information that are of use to the
private sector.

30. Other government agencies have established their own databases to serve
their customers better. These include the SIRIMLINK of the Standards and
Research Institute of Malaysia, the Palm Oil Online Information Service
(PALMOLIS) of the Palm Oil Research Institute of Malaysia and the Malaysian
Science and Technology Information Centre (MASTIC) of the Ministry of Science
and Technology. These are databases that are useful for industrial users,
investors and the general public.

Measuring efficiency and effectiveness

31. The Government has also introduced performance measurement at the
organizational and individual levels. The objective is to ensure that the
programmes and activities are implemented efficiently and effectively with set
objectives. A manual entitled "Guidelines for establishing performance
indicators in government agencies" was issued in 1993 to assist agencies in
implementing performance measurement. The performance indicators were
incorporated into the agency's annual budget estimates, annual reports and other
feedback to the Government.

32. At the individual level, the "new performance appraisal" system, which is
based on managing for results, links rewards and recognition to performance
indicators. Individual officers and staff are required to have annual work
targets that are quantifiable. The targets are monitored at intervals to
examine the actual performance of the officers and staff.
Improving performance reporting in the public sector

Accountability

33. Public accountability on the part of a civil servant, among other things, requires him or her to take individual responsibility for action and in action.

The Government has devoted much attention to the issue of public accountability, not only because of responsibility to the public, but also because of the need to maintain public trust in the Government. This is particularly so since the Government is extensively involved in activities that touch upon the lives of people in general. Apart from the Parliament, which provides an important form of control over the executives and where government actions are brought into account, the Government has devised several mechanisms to check on public accountability.

34. The concern for weaknesses in administration and the need to strengthen accountability led in 1979 to the expansion of the Auditor General's powers to include management audits. The amendment to the Audit Act of 1982 enhanced the powers and duties of the Auditor General, enabling him to undertake extensive investigative auditing of the activities of an agency. Known as the "performance audit" or the "value for money audit", the focus is on the degree of efficiency, economy and effectiveness used by agencies to pursue their departmental objectives. In accordance with the Audit Act, the Auditor General is required to submit his findings to the Houses of Parliament for close scrutiny by the Public Accounts Committee, which is the most powerful instrument of financial control by Parliament over the bureaucracy. This has succeeded in keeping government agencies alert to issues of efficiency and effectiveness.

35. The public also plays an important role in ensuring the accountability of government agencies. The Government established the Public Complaints Bureau within the Prime Minister's Department to check malpractice and abuses in government agencies and to redress public grievances. The formation of a high-level committee, the Permanent Committee on Public Complaints, chaired by the Chief Secretary to the Government, to look into complaints, represents considerable evidence of the commitment of top management to increasing the efficiency and effectiveness of the public service. The increasing number of complaints, filed against ministries and departments, from 4,090 in 1993 to 4,902 in 1994, reflects increasing public confidence in the Public Complaints Bureau.

36. The establishment of the Anti-Corruption Agency to enforce the Anti-Corruption Act of 1982, as well as other related legislation, was another government measure to increase public accountability. While combating corruption requires major attitudinal changes, this Agency has played a vital role in controlling corruption. Since its establishment, a number of officials at all levels have been charged with abuse of their position and of departmental facilities for their personal benefits. As part of its continuous effort to ensure public accountability, a new unit known as the Expenditure Control Unit...
was established under the Federal Treasury to prevent the misuse of funds and wastage in federal government agencies.

Financial management

37. In the area of financial management, the Programme Performance Budgeting System was introduced in 1969 to replace the traditional line-item budgeting system. The intention was to rationalize the allocation of resources among competing demands. The information generated by the System emphasized programme structure, quantifiable objectives and performance measurement of all projects.

38. The Government subsequently introduced the Modified Budgeting System whose objective is to institute greater accountability by making the controlling officer of a department more accountable for the management of funds allocated to the department for meeting the Government's objectives. Under this System, agencies enter into a Programme Agreement, which specifies the objectives, inputs, outputs and impact of each programme/activity, with the Treasury. The Treasury uses this document to evaluate the agency's performance. To help agencies to continuously monitor their expenditures and liabilities, the Government introduced the Computerized Vote Book, and, in 1992, the micro-accounting system to ensure more effective and efficient management of public funds: it provides detailed cost information on outputs and helps managers to compare planned costs with actual costs, observe cost trends and price their products and services.

Asset management

39. Having accumulated large assets, such as land, buildings, heavy vehicles and plants, office equipment and furniture over the years, the Government found it necessary to focus on the efficient management of these assets. Improvements in asset management require proper record keeping of assets, preventive and maintenance repairs, better control systems to ensure optimal use of the assets and better management of stores in line with the Treasury guidelines. Based on studies, several weaknesses were identified and rectified, and a circular entitled "The use of new forms in the management Of capital assets, inventories and office supplies" was issued by the Treasury.

Total quality management

40. The public service was guided by the following five basic concepts in creating the quality management culture in the public service. These concepts are:

(1) Quality is meeting customer requirements
(2) Quality is maintained through prevention
(3) The standard of performance is "zero defect"
(4) Cost of quality is non-conformance to standards

(5) All work is a process

Based on these five core concepts the Government introduced a number of reforms and a series of circulars to help to achieve the national objective of institutionalizing a quality culture. The series of programmes to be discussed below, some at length and others in passing, combine to represent an integrated approach to quality management in the public service.

Quality control circles

41. Recognizing that human resources constitute the most critical element in any organizational effort to increase productivity, the Government launched the Quality Control Circles programme in 1983. Under this programme, small groups comprising relevant personnel are formed to identify, select and analyse problems, and suggest solutions to top management for further consideration and implementation. The "Guidelines on Quality Control Circles", issued in 1991, suggests that public sector agencies establish quality control circles as a mechanism to mobilize expertise, experience and employee creativity in solving problems which finally lead to quality improvement. Local, regional and national Quality Control Circle Conventions are held yearly. Quality Control Circle Conventions around the country have made numerous suggestions that have been implemented with significant benefits for the organizations concerned. Some recommendations that have been implemented include: reducing waiting time in hospitals, reducing processing time for examination of tenders, facilitating file movements, improving services in local authorities and the collecting of additional arrears.
Quality management

42. The "Guidelines on total quality management (TQM) in the public service", a circular issued in 1992, focuses on the need for organization-wide efforts to implement quality improvement. The circular identified seven principles that are to be emphasized by top management: (a) support and commitment of top management; (b) strategic quality planning; (c) customer focus; (d) training and recognition; (e) teamwork; (f) performance measurement; and (g) quality assurance. The circular, "Guidelines for quality improvement strategies in the public service", outlines seven quality programmes to be implemented by public sector agencies: a quality suggestion system; quality processes; quality inspection; quality day; quality slogan; feedback on quality; and quality information. Another circular, "Guidelines on productivity improvement in the public service", was issued with the objective of assisting heads of departments to plan and implement productivity improvements in their own organizations. The circular defines the concept of productivity, and provides guidelines on methods for improving productivity and on productivity measurement. It also identifies the eight common factors that organizations should focus on to attain higher productivity: workforce; systems and procedures; organizational structure; management style; work environment; technology; materials; and capital equipment. By eliminating wasteful practices in one or more of the eight areas, an organization would be able to decrease costs and increase output, thereby increasing productivity.

Attitude and behavioural changes

43. Although the size of the public service is being progressively reduced, there is a growing demand for efficiency and productivity within the public service from both the private sector and the general public. Thus, the public service has to be continuously injected with new values and work ethics in order to ensure greater public accountability, integrity and transparency. Cognizant of the fact that attitudes and values influence individual behaviour, and hence form the sine qua non for any reform effort, the Government introduced several programmes to instil positive work values into the public service in the eighties.

Moral and ethical values

44. As early as 1979, the Government launched the Excellence in the Civil Service programme which established a code of ethics for the civil service. The accompanying "Guide" provides a set of seven principles to guide the conduct of personnel. Guidelines were provided to individual agencies to help implement the programme. Further, the Government introduced a system of rewards to recognize those who have given exemplary service.

"Look East Policy" and religious values

45. The "Look East Policy", introduced in 1982, was intended to provide a new
role model for performance and behaviour. The impressive development of resource-scarce countries like Japan and Korea, with its emphasis on work ethics and high productivity, was seen as a good standard for the Malaysians to emulate, particularly as it was in line with their cultural values. Under the Look East Policy, many Malaysian executives were sent for overseas training or attachment, particularly in South Korea and Japan. The campaign for establishing a clean, efficient and trustworthy administration (1982), the call for the inculcation of Islamic values in the administration (1982) and "Leadership by Example" (1983) extolled the virtues required of civil servants in their dealings with their customers and in the management of public resources. It was said that the power of a good example has twice the value of good advice. Also introduced in 1983 were the punch clock system and name tags. Apart from introducing more discipline into the public service, the two last efforts have also a significant symbolic value. For instance, the use of the punch clock is intended to instil discipline, a sense of concern for punctuality and a greater awareness of the value of time. The use of name tags is intended to nurture a sense of pride and responsibility among public sector employees.

The Malaysia Incorporated concept

46. The Government also introduced the Malaysia Incorporated Policy in 1983, of which the primary objective was to encourage cooperation between the private and public sectors as partners in the economic development of the country. This policy had its origins in the Government's Look East Policy, and drew its inspiration from the Japanese Ministry of Trade and Industry's model of development. The underlying philosophy is that both the private and public sectors should work together and share information and responsibility to upgrade the social, administrative and economic development of the country. Public servants should see Malaysia as a "company", or "corporate nation" with both the private and public sectors holding equity. For its part, the public service has streamlined regulations and established consultative panels with the private sector in a number of ministries and agencies to build an effective network of consultation and consensus, and to give concrete expression to the Malaysia Incorporated concept. Government has pledged flexibility and pragmatism in its policies and programmes. The impact of this policy on the public service has brought about a reappraisal of traditional attitudes towards the private sector and a re-examination of bureaucratic procedures and regulations that in the past have stifled the efficient and effective operations of the private sector.

Code of conduct for public servants

47. To uphold the integrity of the Malaysian civil service, the Government continuously emphasizes the need for civil servants to maintain the trust that the public has in them through the inculcation of positive values to encourage ethical practices. In its desire to attain a "clean, efficient and trustworthy" Government, values like trustworthiness, responsibility, sincerity, dedication, moderation, diligence, clean conduct, cooperativeness, honour and gratitude are stressed. The code of conduct under the Public Officers (Conduct and Discipline) Regulations, 1993, provides a set of guidelines on specific areas of
conduct applicable to civil servants: it requires them to be loyal to the King, the country and the Government; put public interest before private interest; ensure that private interest does not conflict with public duty; guard against allowing conflict of interest to impair their usefulness as public officers; avoid using public position for personal advantage; avoid bringing disrepute upon the civil service; serve with efficiency and industry; perform tasks honestly and conscientiously; accept responsibilities; avoid bringing or attempting to bring outside pressure in pursuit of a claim; follow directives and instructions; and avoid negligence in duty. In consonance with the regulation on neutrality of the civil service, public servants (except for those in the supporting groups) are not allowed to participate actively in politics.

48. In addition to the above, civil servants may not accept gifts, presents and offers of entertainment if the intention of the person giving the present is to seek a favour. They are also not allowed to seek outside employment if it is likely to affect performance in the office. They may not reveal secret official information, enjoy a standard of living beyond their means, or engage in speculative trade.

49. Failure to adhere to the Code of Conduct can result in disciplinary action being taken against the civil servant. There are various forms of disciplinary measures that can be taken ranging from a warning or reprimand for a minor disciplinary case to termination of service in more serious cases; or retirement in the public interest.

50. A key instrument that is used to bring about behavioural changes in the public service is training. The National Training Institute responded to this new requirement by incorporating the values, ethics and attitudinal component into its training curriculum. The total training approach, which assigns equal importance to aspects of motivation and attitude besides the regular components of knowledge and skill, has been successfully implemented. Seminars and workshops on values and ethics are also held regularly at the Institute for all levels of officers.

Strengthening statistical capacity

51. The Government is committed to providing information of various types for use by both the private and public sectors to facilitate their planning activities. The Department of Statistics collects and processes various types of data. These include data on exports and imports, population census, consumer and producer's price index, household incomes, outputs by industry type and production volume by kinds of outputs. These data are compiled and published. Some are published monthly, and others quarterly, semi-annually or yearly. The population census is done every 10 years.

52. Apart from the Department of Statistics, other government agencies publish their own statistical publications. Most of these are in the form of annual reports. For example, there is the Annual Report of the Central Bank which
provides information on money supply, inflation, investments and foreign exchange dealings. The Ministry of Finance publishes the Annual Budget which provides information on the finances allocated to each government agency, by programmes and activities for the current year and also information on the financial performance of each agency for the previous year. The Ministry of Primary Industries has a publication on the status of primary products of Malaysia. It provides statistics on the import, export, production and price of each of Malaysia's products for the current year as well as for previous years. Most other government agencies also have their annual reports. Each agency will report on its mission, objectives, structure, staff, programmes and activities, its performance for the previous year and its plan for the current year.

53. In line with the Malaysia Incorporated concept, the Government has made it even easier for the private sector and the general public to obtain information about the Government and its performance. Several government agencies have established databases (like the SIRIMLINK by the Standards and Research Institute of Malaysia and the Civil Service Link by MAMPU) where the private sector can tap into these databases to obtain information on exports and imports, patents and government rules and regulations.

54. The underlying principle of the above efforts is to make the functioning of the Government more transparent to the private sector and the general public who are clients of the Government.

Enhancing the capacity of district administration

55. District administration has been a constant subject of administrative reforms in Malaysia. The district office, being the front-line agency in policy and programme implementation as well as the intermediary between the Government and the people at the grass-roots level, contributes to the perception that people have of the public service and the Government. Seminars and meetings are frequently held to seek ways to improve the capacity of district administration. Some of the measures introduced include that of refining the functions, duties and powers of the district officers, upgrading their positions, improving the quality of the district office personnel and implementing the "model district office" concept where offices with new buildings, modern office facilities and good management are identified and selected as models for others.

II. CONCLUSION

56. In perspective, the administrative reform efforts in Malaysia focused primarily on structure, quality, productivity, technology, systems and procedures, moral and ethical values and cooperation between the public and private sectors.

57. Multiple approaches have been used to ensure successful and effective
implementation of the administrative reforms introduced by the Government. These approaches include training staff for reform, consensus building for acceptance of reform, recognition and rewards for implementing reform, promotion and successful planning of restructuring service categories, documentation and dissemination for implementation of reforms, use of incremental and integrated changes, generation of political support and support of key institutions.

58. Given the national aspirations under "Vision 2020" and the challenges facing the nation, the public sector itself faces several challenges in the decades ahead. These include:

(a) The need to develop an administrative system that is mission-oriented;

(b) The ability to monitor and respond speedily to the complex and rapidly changing environment;

(c) The ability to create the organizational capacity to promote and sustain a climate of creativity and innovation;

(d) The ability to deliver quality goods and services to the customers;

(e) The need to enhance the quality of human resources to facilitate the transformation of Malaysia into a fully industrialized and developed nation as envisaged by the Prime Minister.

59. Ahmad Sarji bin Abdul Hamid, Chief Secretary to the Government, recently announced that the Government would give immediate attention to five programmes: (a) increased dialogue with the private sector; (b) review of application forms to ensure that only relevant information is requested and that decision-making criteria are transparent to expedite processing; (c) provision of adequate information to the private sector through the CSL and publication of information booklets by agencies that have direct dealings with the private sector and the general public; (d) enhanced implementation of the Client's Charter; and (e) acceleration of the process of institutionalizing a paper-less culture in the public service. The use of electronic data interchange is a first step in the creation of a paper-less culture. The use of smart cards, imaging and optical storage media will be adopted, and further re-engineering of key government processes will be undertaken to reduce the usage of paper, reduce costs and ensure timely delivery of outputs.

60. In conclusion, the successful implementation of the administrative reforms contributed to the strength of the public service and enabled it to successfully implement the Government's policies and programmes. For this, the public service has rightfully earned high regard from both political leaders and the Malaysian general public. The Malaysian model offers insights for the public service of developing countries as well as an interesting case for developed countries that are engaged in public sector reforms.

61. Given that change is the only constant in our environment, the public
service has to continue to adapt, adjust and modernize if it is to play a critical role in the development of the country. To facilitate this, the internalization of the core values of quality, productivity, accountability, discipline, innovativeness, caring, ethics, trustworthiness and more will continue to be stressed until these become a way of life for the Malaysian Public Service. Only through the internalization of these principal values can the government service continue to earn respect and legitimacy from the society.
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