Civil Service Reform in Malaysia: Achieving Vision 2020 through Malaysia Incorporated

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"*Service to the community was the primary motivation. There was no question of* **service to self** *and neither were there any other loyalties except to the country, race and religion*"
Tan Sri Musa Hitam,
Former Deputy Prime Minister,
(New Strait Times, February 16, 2000)

Introduction

Like most civil servants elsewhere in the world, the Malaysian civil servant makes decision that affect general public. The civil service[1] in Malaysia has been entrusted with the responsibility of providing various services to the general public and to guide the nation towards development and industrialization. Therefore, the public's expectation of the civil servants in relation to their performance is almost high or above average. Falling short of that would usually indicate their incompetency or lack of industry. Worse, it might stir feelings of betrayal since the civil servant should be seen to perform their best to serve the public.

As for many other countries which emergence from the colonial rule, the Malaysian civil service was also enjoyed high prestige and attractive power among job seeker in the 1960's until the late 1970's. The public sector was dominant while the private sector was infant. Therefore, the civil servant enjoyed superior glamour, better pay, and a great sense of efficacy and power, besides its high security of tenure. Thus, the public sector was able to recruit the best of the brightest and the most highly motivated graduates from local and foreign universities and institutes. However, started in the early 1980's those very attractive characteristic was started to fading away.

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A study done of 410 first year students in the Faculty of Economics and Administration, University of Malaya, conducted in October 1986, revealed the perception of the young generation toward the civil services characteristic in Malaysia as seen in Table 1 (see : Chee and Yoke, 1989, pp. 223-235)

Tabel 1. Dimension of Attractiveness of Employment in Different Sectors in Malaysia

No	Dimension	Federal Govern-ment	State Govern-ment	Local Govern-ment	Public Enter-prise	Busi-ness Sector
1	Security	8	7	6	6	4
2	Pay	5	5	5	6	7
3	Prestige	6	5	5	6	7
4	Job Characteristic	5	5	4	5	7
5	Contribution to Society	7	6	6	6	5
6	Rate of Promotion	4	4	4	5	7
7	Career Development	4	4	4	5	7
8	Self Development	4	4	4	5	7
9	Fringe Benefits	6	5	5	6	6
10	Chance of being really successful	3	3	3	4	7

Note: Figure in the table refers to median score. Higher scores denotes greater attractiveness of the dimension.
Source: Adapted from Table 18.1 of Stephen Chee and Teh Hae Yoke, 1989, p. 227.

From the table above it was clearly seen a message that if the choice is available, the majority of the students from a very prestigious university in Malaysia prefer to work in the private sector than in the government or quasi-government institution. The composite image of public sectors is very negative one and this may account for the lower esteem which respondents have for employment in the public sector. It may be the beginning student in the Faculty of Economics and Administration, University of Malaysia in 1986, following the general public, harbor a cynicism towards government, as a mark of cultivation, or accept unquestioningly the anti-bureaucracy rhetoric and stereotype (see: Adams, 1984: 5-11 and Kaufman,

1981: 1-9). These negative images of public service and civil servants make government service unattractive to the young generation in 1980's in comparison to job opportunities in private sectors. This tendency is also similar to other Asian countries which got their independence during and after 1940's.

In order to overcome the negative perception to the public service, they have to provide efficient and effective services to the public. The administrative machinery must be efficient, pro-active and capable of meeting the demands of the time as well as adjusting itself for changes and reforms for the future. One way to build these demanded characteristic is through strengthening the ethics and values of the civil servants in the respective society.

In Malaysia, ethical guidelines play prominent part in the life of the civil servant. Civil service ethics shape the behavior and discipline of the Malaysian civil servant and reinforce good values as well as enhance efficiency in work. To date, three major established sets of values have been identified as those that represent civil service values in Malaysia. The formula advocate is based on "Bersih, Cekap, and Amanah"[2]. There should be optimal doses of "Bersih" best translated in the form of clean management practices, optimal doses of "Cekap" to ensure the highest level of productivity, quality and efficiency. A hundred percent of "Amanah" to ensure that the public sector deliver their services which are free from corruption practices, and above of power and authority. This "Amanah" concept demands the civil and to love the nation. The civil servant is therefore expected to incorporate these values into his works. This become more important in dealing with more liberalized world of present time, since a clean and efficient civil service is needed for establishing a good governance to cope with globalization era. The Malaysian government is concerned with effective and efficient administrative performance, especially with low ratings by external evaluators, because of the country's open economy and increasing transparency in public service. Former Prime Minister DR. Mahathir Mohamad has stated that "although the civil service was more efficient compared to those in other developing countries, there is still much room for improvement"[3].

Towards a Good Governance

Over the years, "good governance" has become the new paradigm in the administration of the public services replacing the old model which has been in operation for a long time, since a conventional model development by Max Weber. The "good governance" has also become both as objective and precondition for development aid. There is strong tendency among the international aid community to equate governance within the ambit of state institution and structures with an emphasis on corruption, transparency, participation and rule of law. The World Bank, as a major international donor, has constructed an index for "government effectiveness" composing the quality of public bureaucracy, policy making, and service delivery as index of six elements of a measure of governance[4]. When government effectiveness was tested against data from 175 countries, the analysis confirmed that government effectiveness contributed to higher national income (Kauffman, 1999)

Based on the World Bank index, the quality of governance in selected countries in Asia can be seen in Table 2 below

Table 2. Quality of Governance in Selected Asian Countries

No	Country	Quality Index	Governance Quality
1	Singapore	65	Good
2	Japan	63	
3	Malaysia	58	
4	Republic of Korea	57	
5	Sri Lanka	45	Fair
6	Philippines	44	
7	India	43	
8	Thailand	43	
9	China	39	Poor
10	Indonesia	38	
11	Nepal	36	
12	Pakistan	34	

Source: Adapted from Table 2.1 of Jeff Hunter and Anwar Shah, 1998

Any analysis of good governance would remain incomplete without acknowledge the prominent role of Washington Consensus[5]. In fact, good governance agenda is deeply embedded in the Washington Consensus.

The good governance agenda places special emphasis on anti-corruption measures. In Malaysia, some of the corruption practices involved the civil servants. In 1998 for

example, among 300 cases reported by the Anti-Corruption Agency (ACA) 186 cases, or 64 percent, involved civil servants[6]. However, Malaysia is considered "better of" than other Asian countries if bribing is the indicator of the corrupt practices among bureaucrat personnel.

Table 3. Respondent Who Paid a Bribe to Obtain Services in Selected Asia Pacific Countries, 2007

Rankings	Country/Territory	Percentage of respondents who paid a bribe
7	Japan	1%
8	Korea, South	1%
18	Hong Kong	3%
23	Malaysia	6%
33	India	25%
40	Indonesia	31%
41	Philippines	32%
46	Pakistan	44%
49	Cambodia	72%
57	Singapore	*
58	Thailand	*

Note: *)Due to problems with data, result for Singapore and Thailand could not be used.
Source: Transparency International Global Corruption Barometer 2007. Percentage are weighted and calculated for respondents who came in contact with services.

The exclusive focus on corruption in public offices and institutions might fails to chronicle the large scale corruption practices carried out by private individuals and corporations. The involvement of western banks and transnational corporations in many corrupt deals in the poor and developing world is well documented. The extent of corrupt practice involving transnational corporation is so huge that during 1994-2001, the US government received reports of 400 international contracts worth US $ 200 billion that involved bribery (Kavaljit Singh, 2005).

Decentralization and local self-government constitute another important component of current governance agenda where reforms have been introduced in order to reduce poverty and achieve higher economic growth. Another dimension of good governance pertains to fostering popular participation. Hence, many goals are sets to make government close to public. In other popular words it is called "public-private partnership". However the society as well as the international donor agencies

also has different views on good governance. The summary of different perceptions on the good governance's target is summarized in Table 4.

Table 4. The Importance of "Good Governance" Practices as Seen from Different Views.

Government /Formal Institution Perceptions	Community/Civil Society Hopes	International Organization/Financial Institution Demands
1. Combating Corruption	1. Better quality of life	1. Downsizing bureaucracy
2. Transparency	2. Equitable distribution of wealth, income and natural resources	2. Privatization of the state-owned companies (SOE)
3. Accountability	3. Full employment	3. Deregulations
4. Participation in decision making process	4. Better access to housing, health and education	4. Decentralization and encouraging local self-governance
5. Rule of Law	5. Restraining privileges of elite in politics as well as in wealth	5. Respecting human and property rights

Source:　Author's own perception drawn from many sources.

The above explanations does not mean that there are differences among three actors in the "good governance" agenda. It is only to showed the degree of importance of so many goals and objectives involved in the practice of good governance which is sometimes considered as the "second generation reforms" to ensure smooth development of market economy[7].

As consequent of this kind of reforms, promotion of good governance has become an integral part of the emergent global economic order. Since, this reforms mainly deals with institutional and political reforms, then the bureaucracy's reform, and more specific "a civil service reform", is the main pillar for a good governance practices, especially for the developing world.

Series of Reforms

According to Oxford English dictionary, administrative reform means "all achievement in administration/management", "general overhaul in difficult circumstances", and "any suggestion for better government". Therefore, Quah (1970) defines administrative reform in terms of contents as a "deliberate

attempt to change both (i) the structure and procedures of bureaucracy, and (ii) the behavior of public bureaucracy involved in order to promote organizational effectiveness and attain national development goals". In this respect, administrative reform then means changes in major aspects of management in an organization which cover structural, procedural and behavioral dimensions.

Early efforts at administrative reform in Malaysia began in the 1960's. The government saw the need to improve the administrative machinery in order to carry out various socio-economic development programs as well as the increased responsibilities since independence 1957 which were no longer confined to law and order. Consequently, there was a need to ensure that the public sector agencies had the capability and capacity to carry out their responsibilities effectively. The emphasis at the point was on effective institutional development to support development planning as well as the implementation. Thus, in 1965 the government with assistance of the Ford Foundation obtained the service of a two-man team of consultants to undertake a review of public administration and to suggests reform and innovation.

The recommendation of those two consultants which was known as the Montgomery-Esman Report[8] led to the establishment of the Development Administration Unit (DAU). The DAU was entrusted with the responsibility for planning and guiding the reform efforts in the public service. It was instrumental in laying the foundation for public sector training policies and programs while providing the focus for overall administrative and personnel developments.

The decade ended with a sour and tragic note with outbreak of the ethnic hostilities on May 13, 1969. It became a watershed in the country's history. The government decided, after a great deal of study and inter-ethnic consultancies, that to prevent the recurrence of another May 13[9], the economic disparity between the Malays and non-Malays should be bridged. Its, therefore formulated and launched with the New Economic policy (NEP), as a master policy for socio-economic development, in 1971, with the two-fold aims and that was to eradicate poverty

irrespective of ethnic origin and restructured the Malaysian society in order to erase ethic identification with their economic function. The establishment of the National Institute of Public Administration (INTAN) in 1972 and the Malaysian Administrative Modernization and Management Planning Unit (MAMPU) in 1977 were the main stone of administrative reform in the 1970's. While INTAN was set to replace the then Staff Training Center, MAMPU is put inside the Prime Minister's Department.

In the decade of 1980's, more program-oriented reform efforts were introduced. One and the most important of them was the launching of the Malaysian Incorporated in 1983[10]. It was mooted at a time when the country was flush with the bold ideas of dynamic and invigorated new administration that was really to break from the mores of the old. The essence of Malaysia Incorporated was that the country would be run a single business corporation, with the private sector following its growth and expansion, and the public sector providing the all important support vital for the success of the corporation.

The Malaysian Incorporated was the realization of the Look East Policy which was introduced in 1982. The main objective of this policy was to promote the adoption of work culture, ethics and values from Japan and Korea. It is a known fact that Japan and Korea's work culture have contribute significantly to their economic success. Indeed, it was a time of looking East, rediscovering Eastern values and work ethics in order to push for quality improvement on all fronts of the public sectors to provide better services to the community.

Another significant reform was the Privatization Policy which was also introduced in 1983. Privatization is a policy of allowing private sectors to own and manage service formally run by the government. The policy is contrary to nationalism in which government takes over the running of businesses. This policy was in keeping with a shift in the role of the public sector from "rowing" to "steering" which become a new paradigm for the governmental bureaucracy in the early 1980's.

The launch of the VISON 2020 by then the Prime Minister DR. Mahathir Mohamad in conjunction with the launching of the Malaysian Business Council (MBC) in 1991 is generally seen as the starting point of a concerted and focused reform program for the 1990's. VISION 2020 is a statement of a goal for Malaysia to pursue in order to attain a developed nation status by 2020. It outlined challenges of changing political, economic and social scenario, both national and internationally to meet and to overcome basic challenges brought by the globalization era[11].

The decade of the 1990's also began with the government declaring October 31 as Civil Service day or Hari Q (Quality Day). The objective is to reinforce values of quality culture in an organization. "Q Day" is celebrated by holding "Open Day" talks on quality and other activities relating to productivity and quality of work in the organization. In conjunction with "Hari Q", the government launched national quality awards to give recognition to agencies for quality achievement. The awards are: (a) Prime Minister's Quality Award (Public Sector), (b) Chief Secretary to the Government (KSN) Quality Award, (c) Director General of Public Service (KPPA) Quality Award, (d) Director General of MAMPU Quality Award, (e) District Office Quality Award, (f) Local Authority Quality Award, and (g) Human Resources Management Award. In addition the government also introduced the Civil Service Innovation Award from 1991 followed by the Public and Private Sector Joint Research Innovation Award from 1993.

The introduction of the Client's Charter in 1993 also helped to set the stage for more predictive standards of service delivery to the private sector. The Charters have also become a focal point for the critical evaluation of an agency's performance by the private sector. This was so, since the Client's Chapter is written commitment made by all government agencies with regards to delivering of services to their customer. It is essentially a declaration made by the civil service that services provided would comply with the declared quality standards, which is conformance with the expectation of public. Quality service would therefore include all counter services at government department as well. Furthermore, the public service embarked on the implementation of MS ISO 9000 in 1996 as a direct challenge to the needs of the

private sector. The objective of implementing MS ISO 9000 is to develop an efficient and effective quality management system in order to provide the best service to the public. The implementation of MS ISO 9000 is also in relation to other major reform namely the implementation of Electronic Government (EG) and E-Public Service. E-Government is since then becoming a permanent feature of the public service as well as how it delivers service to the people of Malaysia. While E-Public Service, or E-PS, is one of the five thrust in efforts to build a society infused with an IT-culture (information technology culture). The other thrust areas are E-Economy, E-Learning, E-Community and E-Sovereignty. The E-PS implementation plan will adhere to its motto: "On-line, anytime, anywhere".

Under quality management, since the introduction of MS ISO 9000 and E-PS, the public service also put in place for managing public complaints and grievances speedily and equitably. The implementation of the program so called "Meet the Customer Day" in 2001 throughout the public sector was seen as one of several actions to give better service to their costumers, the public. The program helped to strengthen costumer orientation within government agencies by providing an additional avenue for redress through face-to-face communication between agencies and their customers.

Administrative improvements and reforms have been going on in the public service since the early 1960's, a few years after Malaysia gained "Merdeka (Independence)" in 1957. From the most mundane reforms such as name tags and systems to quality and e-mail, there has been no let-up[12]. One most credit the indigenous post-independent government for its seriousness in implementing administrative changes led by political leaders as Tun Abdul Razak and DR. Mahathir. However, supports from top leadership of the bureaucracy are also a crucial factor. There seemed to be meeting of minds between the political leadership and the top civil servants to bring about to deliver goods and services efficiently to the people.

The public service reform in Malaysia is on-going process backed by the high

level authority. The seriousness of the top leadership to reform the bureaucracy can be seen from their concerns about future public service in Malaysia as summarized in Table 5 below.

Table 5. Proposal for Future Public Service in Malaysia

No	YAB Dato' Sri Abdullah bin Haji Ahmad Badawi "Five Principles to Increase Efficiency and Effectiveness and Improving Credibility of the Public Service Delivery"*)	YAB Dato' Sri Moh. Najib bin Tun Haji Abdul Razak "Five Elements or Characteristics of a High Performance Culture Which Should be Adopted by the Public Service"*)	Jawatan Perkhidmatan Awam (PSD)**)
1	The need to have zero tolerance for substandard performance	3. To have personal and professional accountability	3. Keep pace with the speed of technology
2	To continuously seek accuracy, timelines and volume at work	2. To be quality focused in delivery the service to the public. 4. To have commitment to continuous improvement	1. Raise service standard
3	The need to appreciate orderliness and cleanliness	-	-
4	The need to be consumer focused	1. To be consumer focused	2. Adopt a more global outlook 4. Change the culture of the service to become more responsible innovative
5	To adhere to the public service ethics	5. To have a team work spirit	-

Note: *) Both speeches of Dato' Seri Abdullah Ahmad Badawi and Dato' Sri Najib Tun Razak were delivered in their position as a Deputy Prime Minister of Malaysia
       **) "Attitudes needed to Adapt to the Change for the Civil Service" based on the research done by JPA (PSD)
Source: 1) Zulkarnain Hj. Awang and Muhamad Hamzah (Ed), "Managing the National Economy in Challenging Times: Enhancing Delivery System and Mechanism". Proceedings of the Eight National Civil Service Conference, January 2004.
       2) Hj. Malek Shah Hj. Mohd. Yusoff and Muhamad Hamzah (Ed), "Strengthening Public Service Delivery: Forging Ahead Together", INTAN-PTD, 2005
       3) JPA (PTD) "The New Ethos of Leadership for the Malaysian Civil Service Competence for the Future", Putrajaya, Malaysia, 2003

The numbering of proposal was based on the five proposal developed at first in 2003 during the Eight national Civil Service Conference by then Deputy Prime Minister of Malaysia, Dato' Seri Abdullah Ahmad Badawi. Another two proposals are fitted to the first one. Therefore, the consistency of the reforms can be evaluated all together.

Issues and Challenges

Since the launching of the Malaysian Incorporated Policy in 1983, the civil service has introduced various initiatives to provide the foundation for its successful implementation and the realization of the long-term national economic development goal. The focus of administrative reform efforts has been on enhancing the efficiency and effectiveness of public sector output and service in meeting customer and stakeholders' requirements. Given that the public service employs more than one million employees, great emphasis is placed on human resource management policies and practice to maintain a healthy working climate within public sector organizations.

The bigger challenges now confronting the civil servants are to provide services which meet the need of their clients. The standard of service to be offered is not by just one that meets the requirements of the customer, but rather, exceeding customer expectations whenever and wherever possible. Therefore, the administrative reform should be able to create a civil service which is efficient, effective, dynamic, and innovative. Secondly, its must also maintain a highly disciplined civil service with high standard of integrity. Lastly, the reforms should be directed to have a civil service which is action-oriented, people oriented as well as customer-focused.

In the establishment of the Integrity Institute of Malaysia (IIM) in 2004, the Malaysian Prime Minister Dato' Seri Ahmad Badawi stressed the importance of National Integrity Plan (NIP) to fulfill the forth challenge of VISION 2020, namely, "to establish a fully moral and ethical society whose citizens are strong in religious and spiritual values and inbuted with the highest ethical standards"[13]. The NIP stipulates five targets for the First Five Year (2004-2008) which is known as Target 2008. The first three are directed related to "good governance" and "bureaucratic reform", which are: (a) effectively reduce corruption, malpractice and abuse of power, (b) increase efficiency and the public delivery system and overcome bureaucratic red tape; and (c) enhance corporate governance and business ethic. All the three targets touch the core of good governance reforms

in both the public and private sectors in Malaysia in the last forty years.

In order to implement the NIP, one of factor should be considered is ethnicity of the civil servant since Malaysian society is a very unique one. There are many countries that have multiracial, multi-religion and multilateral societies. However, it is difficult to find a country that has such a complex combination of races, religions, and cultures to the same extent and degree as in Malaysia. According to the latest cencus figures, Malaysia had a population of 26.67 million people in 2006. Indigenous Bumiputeras which are largely ethnic Malays, make up 60 percent of the population but have 87 percent of government job. The biggest loser in the current system are Indians, who, according to government statistics, make up 9 percent of labor force but hold 16 percent of menial jobs and control just 1.2 percent of equity in registered company in the country[14].

The civil service staff could be made more multiracial to remove the present overwhelming dominance of Malays in public service as the practiced now and indicated in the following table 6 below.

Table 6. Breakdown of Officers and Top Managers by Ethnic Group, 2006

No	Ethnic Group	Officers		Top Managers	
		Person	%	Person	%
1	Malays	692,736	77.0	1,370	83.8
2	Chinese	84,295	9.4	151	9.2
3	Indians	46,054	5.1	83	5.1
4	Other Bumiputera's	69,828	7.8	25	1.5
5	Others	6,337	0.7	5	0.3
	Total	899,250	100.0	1,634	100.0

Source: Center for Public Studies, Malaysia, 2006

Restructuring of the civil service is badly needed to ensure that some form of quota system is used to recruit more non-Malays into the public service, including the police and armed forces, to look after the legitimate interest of non-Malays. Non-Malays, including politician inside and outside the ruling coalition, often blame overzealous Malay bureaucracy for increasing the discriminatory effects of pro-Malay policies and for "discriminatory" implementation of the

supposedly non-discriminatory prong of the NEP (Lim Lin Lean, 1988). Shamsul (1996) describes the bureaucracy as "highly ethnicized" and "pro-Malay". "Lower ranking Malay civil servants" he elaborates, "have often been accused by the non-Malay public as practicing" racial discrimination "in the way they discharge their duties *vis-à-vis* the non-Malays" (Shamsul, p.25)

In order to overcome the issue, on January 16, 2008, the government has adopted "One Service, One Delivery, No Wrong Door" policy with pledge to provide first class public service. This policy will provide any public query would not turn away if it reaches the wrong authorities. Instead, the authority concern is expected to forward it to the relevant department. The policy will also be "color blind" and "gender blind" with regard to attracting and retaining the best talents in the public service[15]. There is a big hope that with this policy it will improve ethnic diversity in the public service through recruitment and career development programs and ensure that the right exemplary leaders are recognized and placed at the right places for effective change.

However, given the fact that the most ambitious tend to go into private sector because that is where the money, prestige and status seems to be, this may not appear to be a sufficient condition to have the brightest into public sector. As it is, the perception is that only the mediocre and the milquetoast end up as civil servants. It is also difficult to discern what is actually means in terms of the intention to increase diversity in the civil service. Certainly, a more representatives bureaucracy will better reflect the demographics of the population, and the need to add diversity has been major concern. While more and more women have broken the glass ceiling, fewer and fewer Chinese, Indians, and other groups seem to figure in the civil service.

Considering the reputation of the civil service as more or less a homogenous institution, it is not hard to see why recruiting candidates from a wide range of background have been difficult. If diversity is to be truly a goal of government employment, it is requires a deep commitment from top to bottom. Whatever the

problems will exists, this policy will certainly pave the way to realize a "long-waiting" aspirations of making the Malaysian public sector as a "first-class civil service" in the region.

Another important issue deals with the professionals and the larger number of employment at the lower levels of public service. Professionals like accountants, lawyers, doctors, and engineers should be granted all the favorable considerations given to Pegawai Tadbir dan Diplomatik (PTD) and perhaps even more, since the professionals are rare breed. They are should be given equal opportunity with regard to promotion as to the PTD. The breakdown of officers according to different services and ethnic groups is summarized in Table 7 below.

Table 7. Breakdown of Officers by Service and Ethnic Group on 30 September 1999

No	Service	Malays		Chinese		Indians		Others		Total	
		Person	%	Person	%	Person	%	Person	%	Person	%
1	Perkhidmatan Tadbir dan Diplomatik (PTD)	3,366	85.0	277	7.0	238	6.0	79	2.0	3960 (26.5)	100.0
2	Accountants	369	73.5	71	14.1	13	2.6	49	9.8	502 (3.0)	100.0
3	Medical	3,579	51.0	1,473	21.0	1,614	23.0	352	5.0	7018 (47.0)	100.0
4	Engineers	1,945	68.0	629	22.0	57	2.0	230	8.0	2861 (19.0)	100.0
5	Legal	503	83.0	42	6.9	31	5.1	30	5.0	606 (4.5)	100.0
	Total	9,762	-	2,492	-	1,953	-	740	-	14,947 (100.0)	-

Source: Public Service Department, Government of Malaysia, 2000.

Similar to the situation problem of ethnic groups in the Malaysian's top bureaucracy, the professionals also faced with the ethnic problem. Promotions of the professionals were not based on performance but more on ethnic considerations. Such promotions constitute the surest way to reduce moral, initiative and overall efficiency and commitment to serve the government and people. This is one of the major reasons why there were so many frustrated professionals and why those professionals were left the government service. In the past, the private sector was quite exclusively dominated by non-Bumiputeras. It is a different scenario at present time, when many of Bumiputeras occupied most important and strategic position in the corporations. Therefore, the private sector shows a

more balance in term of ethnic composition than in the public sectors.

In the era of "Knowledge-based economy (K-economy)" combined with "Electronic-government (E-Government)" an organization will rely increasingly on its own human resources for success. In meeting the requirements of this recent development, the public service should be focused its efforts on building workforce with the relevant competencies to consistently meet the higher expecta- tions of its customers and stakeholders.

Therefore, the introduction of competency-based human resources management starting in the 1990's to meet the recent development in the economy, clearly focused on human resources as the most precious asset of an organization. This policy especially is needed to build the public service with the army of professionals who are competence and be able to meet the demands of the public as their expectation.

Another burning issue is the bureaucratic accountability. Since under the then Prime Minister Mahathir's Administration bureaucratic accountability has emerged as a major issue. As far as administrative accountability is concerned the Malaysian bureaucracy has been plagued by two sets of related problems, namely: administrative deviation and administrative inefficiency (Ho Kai Leong, 1992)

As discussed previously, administrative deviations has seen in implementing the NEP were one of the chief complaints of the non-Malay communities. They agree with the goal of national unity, and the two-pronged strategy of social restructuring and poverty eradication, but they have consistently complained about the deviation in policy implementation. These deviations include the use of dis- cretionary power to discriminate in terms of ethnicity, class and religion. It is mostly true in recruiting and promoting civil servants. The privileges given to Bumiputera has created jealousy among non-Malays bureaucrats as discussed before.

Official inefficiency and unresponsiveness is another frequently heard complaint against the Malaysian civil service. Many of the complaints are due to the bureaucratic's habit which mostly related to the attitudes and working orientation of the civil servants. Undesirable behaviors such as playing games in computers, loitering in coffee shops during the office hours, causing delay for monetary gains, etc, were some of the problems among civil servants[16].

The Client's Charter (CC) initiated during the Mahathir's Administration is one of the brilliant bureaucratic policies to meet this challenge. The Client's Charter which considered as the new paradigm in the Malaysian's civil service is focused on quality service in all counter service at government department and institutions.

However, the political hegemony dominated by dominant-party politicians had resulted in wide spread political interference in administrative decision making. A political hegemony dominated by UMNO has consolidated power throughout the years. Any vocal dissent within the polity has either been suppressed or co-opted, and hence the issue of political and bureaucratic accountability have been largely been disregarded. Therefore, even though Malaysia inherited a politically neutral civil service from colonial rule and the majority of civil servants continue to see themselves as non-partisan, as a result of pressure by the ruling coalition on civil servants, there is now considerable evidence of bureaucratic political involvement and bureaucratic partisanship in the public services. Civil servants frequently contest and hold positions in UMNO and other government parties, en route to becoming full time politicians. One example in the past included an officer in the Information Ministry who was appointed to the senate after heading a division of UMNO Women for over a decade[17]. Considering the facts, the broaden reform agenda, which also incorporated more fundamental political reforms, had been called since the Prime Minister Mahathir's Administration. It is not an easy and smooth task, as one of the prominent scholar in the field of politics and developments of Malaysia had pointed out to "the strength of the ruling party which has been in power for more than twenty years and is likely to stay in

power for some time" (Puthucheary, 1987; p.107)

Concluding Remarks

The last forty years, the willingness and capacity of the Malaysian's public service to accept and implement administrative changes and reforms should be appreciated. This was especially so from the eighties when there was political backing to administrative reforms as well as what appeared to be a permanent agenda itself on such reforms by top administrative leadership. The Malaysian Administrative Modernization and Planning Unit or MAMPU became a central agency, placed under the Prime Minister's Department and directly under the Chief Secretary to the Government. From then on administrative modernization agenda became a permanent of the public service.

Since the launching of the Malaysian Incorporated Policy in 1983, the Civil Service has introduced various initiatives to provide the foundation for its successful implementation and the realization of the long term national economic development goals. These efforts have been introduced based on the premise that successful national development requires close cooperation and collaboration between public and private sectors. The main trust is, therefore, towards the improvement in the quality of service and the provision of the enhanced facilities to the private sector. The implementation of the Client's Charter, which was introduced in 1993, has strengthened the quality improvement efforts. The civil service has provided various mechanisms to facilitate the private sector in their business and investment dealings. The main objective was reduced various bureaucratic constraints which impeded the private sector in moving at a faster pace to further contribute to national socio-economic development programmes.

The biggest hurdle to administrative reforms appears to be the political masters. The problems is, therefore, at the top, the political end of the hierarchy, which clings steadfastly to its authority. Political leaders in a party-run polity are unlikely to appreciate the importance of a politically neutral civil service. They are also not adequately restrained from pursuing extraneous goals in and

through the bureaucracy. Indulgence by dominant-party politicians has also resulted in wide spread political interference in administrative decisions and the politicization of bureaucratic decision making. Responding to a question on the need for better corporate governance, especially neutrality of a civil service in Malaysia for Asian economic recovery after the 1997's financial crisis then Prime Minister DR. Mahathir has replied that "these countries had been governed by the same government (with) the same policies all these years and they have developed very well. There are abuses, this of course I don't deny, but it has not prevented them from developing very, very fast[18]". Malaysia is fortunate to having a very persistent and visionary leader during the most difficult years for several Asian countries at that time. Mahathir's leadership has dealt with change, not just more stewardship. Part of his appeal is that he presented a new breed of Malay nationalist. As to the public service reforms, he introduced enthusiastically various reform measure to change the ethic of civil service. In the beginning of his administration, measures such as wearing nametags and clocking into work were introduced (Mauzy and Milne, 1983). Another major attempt was made in the Client's Charter 1993, as indicated in previous discussion.

The leadership of the Malaysian government has been able to fulfill to role as a dynamic vision setter. Conger and Kanungo (1987) had emphasized the following three roles for the senior executives or leaders in the organization, which are:
(a) Recognizing the need for departure from the status quo,
(b) Creating and articulating a compelling vision or "agenda for change", and,
(c) Institutionalizing the vision through consistent personal example and organizational design,

Therefore, one factor which contributed to the successful of the administrative reforms in Malaysia is a strong, persistent, and committed leader. In another world, there is a political will which sees the importance of the public service reforms. Surely, leadership is the key to the implementation of any change programmes.

The implementation of MS ISO 9000 and the E-Government initiatives as a

direct challenge to the needs of the private sector has been regarded as a revolutionaire way for better and efficient service provided by the public sector. Thus, K-Economy and converging technologies present the best opportunities for socio-economic transformation and the adoption and application of information and communication technologies (ICT) will enhance the competitiveness of manufacturing, banking, finance, tourism, and service sectors to foster economic growth.

Since 1996, Malaysia has successfully created the Multimedia Super Corridor (MSC) and it has gone on to link the MSC to other cyber cities in Malaysia and worldwide. By 2020 it is hoped that MSC will transform Malaysia as a leader in the knowledge economy (K-Economy). This ICT revolution has been able to increase productivity, reduce time and cost, provide interconnectivity among enterprises, government agencies and customers and enhance creativity and ease of use in delivering products and services.

E-Government, therefore, is well on its way to becoming a permanent feature of the public service. Along with the MSC, Cyberjaya and the involvement of the private sector, e-government will continue to develop and thrive. It will transform the way the government operates as well as how it delivers services to the customer, the people of Malaysia. After all, Malaysian does not ask for much. They deserve more efficient services and self respect from the government, to which they have already given so much of their overwhelming support.

It is undeniable that Malaysia has been successful in managing its plural society through the far-reaching economic policy that sought to eradicate poverty and at the same time restructure the society to reflect a fairer distribution of the benefits of economic growth to all sections of the community. However, despite the general success of the NEP in moving towards molding an integrated and united Malaysian society, integration and unity is still an illusive goal. In the midst of its success, ethnic tension continues to dodge the country from time to time. Ethnic issue remains very sensitive and is capable of arousing high emotions. A closer examination of several ethnic conflicts reveals that these often originate due

to unequal distribution of wealth and power. Massive job losses and unemployment due to global economic restructuring has exacerbated economic inequalities and social unrest. These conditions, in turn, create an atmosphere in which security and identities are perceived to be under threat. While political discipline and stability is a prerequisite for the establishment of a good governance. Since good governance implies that necessary law and their application would lead towards social and economic freedom for the people, bringing about a balance between their rights and duties in the society.

Reform efforts and administrative improvement of the Malaysian's public service were intensified with launching of the Malaysia Incorporated in 1983 and later the enunciation of VISION 2020 in 1991. The Malaysian Public Service is aware that to enable it to fully support the achievement of VISION 2020, a process of realignment must occur, in terms of structures, processes, procedures, and the value system. With regards to the value system, the Malaysian's civil service has produced a set of values to be subscribed by the civil servant known as "The Twelve Pillars[19]". It provides the ideal foundation of values and ethical practice by the civil servant to apply and adapt to in the course of his/her duty.

The advantages accruing from the Malaysia Incorporated policy has in fact provided the framework for the public service to consolidate an effective partnering with the private sector. Such cooperation is needed in the present situation which characterized by the more globalization world. To anticipate challenges brought by globalization and economic liberalization, the civil service has to be more efficient in the frontline or frontier agencies must inculcate in themselves a global mind set, which means that they must scan the world from a broad perspective, always looking for unexpected trends and opportunities that may constitute a threat or an opportunity to achieve the national development objectives. One way to acquire this expertise is by providing more and better education and training programs to all Malaysians regardless of race and religion. They will then be better equipped for the new globalized world of greater competition.

The Malaysian government recognizes that in order to meet these new challenges it needs to have a high performing civil servant that has the necessary skills and knowledge to provide high level of service, demonstrates the necessary behaviors, and is supported by its culture, organization, human resource processes and physical infrastructure. Even, then Prime Minister DR. Mahathir has stated that "although the civil service (of Malaysia) was more efficient compared to those in other developing countries, there is still much room for improvement[20]". Therefore, to attain industrialized status by 2020 and achieve national unity as a modern, stable and prosperous nation, the Malaysian public service has continuously seek administrative reforms and improvement in order to maintain a good governance in the more globalized and competitive world.

Notes

[1] Article 132 of the Federal Constitution of Malaysia defines the various public services to include the armed forces, the judicial and legal service, the general public service of the federation, the police force, the joint public services, the public service of each state, and the education service. Each of these public services has its own Service Commission or Council whose members are appointed by the Yang di-Pertuan Agong, the King of Malaysia. Stationary bodies, government corporations and companies are not considered part of the public service, thus their officers are subject to their respective agency's own set rules and regulations or term of contract.

[2] Clean, Efficient, and Trustworthy. See: "Dasar Dasar Baru Kerajaan", Department of Information Malaysia, Second Edition, Kuala Lumpur: Rina Publication Sdn. Bhd. for Government Printers, 1987. It was modified to become: "Amanah (honesty), Bijaksana (Wisdom), Cekap (efficient), Dedikasi (dedicated), and Efektif (effective)" or in abbreviation of the principle of "ABCDE" by Datuk Seri Najib Razak, Deputy Prime Minister of Malaysia. See: **New Strait Times,** 26 January 2008.

[3] **New Strait Times,** 8 May 1999, daily newspaper in Malaysia.

[4] The complete six indicators are: (1) Voice and Accountability, (2) Political stability, (3) Government effectiveness, (4) Regulatory quality, (5) Rule of law, and (6) Control of corruption. See: Daniel Kauffman, Aart Kray, and Massiomo Masturizzi, 2003, "Government Matters III: Government Indicator for 1996-2002." , World Bank Policy Research Working Paper 3106, Washington D.C. Paper and data available at
http://www.worldbank.org/wb1/governance/govdata2002/index.html

[5] The term "Washington Consensus" was first coined by the US economist John Williamson to refer to policy package pushed by the powerful Washington-based institution, namely, the World Bank, IMF, the US Treasury and neoliberal think-tanks. Initially aimed at Latin American

countries in the 1980's, Washington Consensus was subsequently extended to the rest of the developing world. The important components of the Washington Consensus were fiscal discipline, trade liberalization, tax reforms, liberalization of foreign investment regime, privatization, deregulation, financial liberalization and capital account liberalization, market based exchange rate, labor reforms, and protection of property rights.

[6]   New Strait Times, 4 June 1999; daily newspaper in Malaysia.

[7]   The "Second Generation Reforms" refers to re-designing the state and institutions, while the "First Generation Reforms" mostly concern with economic reform to cope with globalization process. All of these reforms are in accordance with the "Washington Consensus" discussed earlier.

[8]   John Montgomery and Milton J. Esman (1996), "Development Administration in Malaysia: Report to the Government of Malaysia", Kuala Lumpur, Government Printer.

[9]   In November 25, 2007, Indians, who make up less than 10 percent of the population of about 26 million in Malaysia and are disproportionally poor, led a protest march through Kuala Lumpur, the first large-scale ethnically motivated street demonstration in almost four decades since May 13, 1969. The police broke-up the demonstration with water canon and tear gas and arrested five representatives of a group called the Hindu Rights Action Force of HINDRAF, which led the protest. The five man are being held indefinitely and without trial under a Malaysian's International Security Law (ISA).

[10]   Malaysia Incorporated was inspired by the Japanese notion of "coordinated inter-dependence", a key ingredient of the famed Japanese teamwork, collective pride and high achievement.

[11]   VISION 2020 is best elucidated by Dato Seri DR. Mahathir Mohamad then the Prime Minister of Malaysia, as follows: "By the year 2020, Malaysia can be united nation, with a confident Malaysian society, infused by strong moral and ethical values, living in a society that is democratic, liberal and tolerant, caring, economically just and equitable, progressive and prosperous, and in full possession of an economy that is competitive, dynamic, robust and resilient" from "Malaysia-Melangkah ke Hadapan (Malaysia: Moving Forward)" a working paper delivered at the launching of Malaysia Business Council (MBC); February 1991.

[12]   E-mail becomes an effective way to build communications between public and government institutions. Even ordinary person can send complaints to the Ministries only through an e-mail. From the discussion with Mr. Darshan Singh, Director of National Consumer Complaint Center (NCCC) on January 16, 2008 in ERA CONSUMER MALAYSIA'S Office in Petaling Jaya, Malaysia.

[13]   "National Integrity Plan", Government of Malaysia, Integrity Institute of Malaysia, Putrajaya, 23 April 2004.

[14]   Other composition are Chinese 28 percent and others 3 percent See: International Herald Tribune, International Newspaper, 31 January 2008.

[15]   New Strait Times, January 17,2008 and January 19, 2008; respectively.

[16]   These habits might be a sign of the bureaucratic's culture in ASEAN countries. Such behavior are easily found among the Indonesian's civil servants up to present time.

[17]   New Strait Times, 13 August 1998. This phenomenon also happened in other neighboring

countries. In Indonesia for example, several academicians, who are also civil servants, were joining political parties since the so called "Reformation Era", in 1999, right after the end of the "New Order" Government.

[18]　**New Strait Times,** 10 June 1999. Not all top authorities in the Asian countries stand as visionary leaders during that years.

[19]　The twelve values or "pillars" are: (i) the value of time, (ii) the success of perseverance, (iii) the pleasure of working, (iv) the dignity of simplicity, (v) the worth of character, (vi) the power of kindness, (vii) the influence of examples, (viii) the obligation of duty, (ix) the wisdom of economy, (x) the virtue of patience, (xi) the improvement of talent; and (xii) the joy of originating. See: "Tonggak Dua Belas: Penerapan Nilai; Norma dan Etika Perkhidmatan" Kuala Lumpur, INTAN 1992

[20]　**New Strait Times,** 8 May 1999, a daily newspaper in Malaysia

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Appendix 1

Ratio of Civil Servants to Population and Labour Force; Malaysia 2002-2006

Year	Total Popula-tion (in million)	Total Labour Force (thousands)	Employed (in thousands)	Unem-ployed (in thousands)	Unemploy-ment Rate	Total Civil Servant to Population (%)	Total Service Servant to Labour Force (%)
2002	24.5	10,100.00	9,542.60	557.40	5.5	4.78	11.61
2003	25	10,400.00	9,869.70	530.30	5.1	5.04	12.12
2004	25.58	10,800.00	9,973.50	826.50	7.6	5.08	11.65
2005	26.13	10,413.40	10,045.40	368.1	3.5	5.11	12.83
2006	26.67	10,628.90	10,275.40	353.6	3.4	4.77	11.98

Source: The Department of Statistic, Malaysia, June 2007

Appendix 2

Civil Servant, Malaysia 2002-2006
(in thousands persons)

Year	Total Employment	Public administration and defense, compulsary social security			Education			Total Civil Servant		
		Male	Fe-male	Total	Male	Fe-male	Total	Male	Fe-male	Total
2002	9,542.6 (100)	487.1	176.5	663.6 (6.95)	198.5	310.2	508.7 (5.33)	685.6	486.7	1,172.3 (12.3)
2003	9,869.7 (100)	491.1	175.4	666.5 (6.75)	229.8	364.5	594.3 (6.02)	720.9	539.9	1,260.8 (12.8)
2004	9,979.5 (100)	501.6	182.8	684.4 (6.85)	224.6	386.1	610.7 (6.12)	726.2	568.9	1,295.1 (13.0)
2005	10,045.4 (100)	525.8	202.8	728.6 (7.25)	219.6	387.4	607 (6.04)	745.4	590.2	1,335.6 (13.3)
2006	10,275.4 (100)	485.5	187.6	673.1 (6.55)	209.7	390.4	600.1 (5.84)	695.2	578	1,273.2 (12.4)

Note: Number in parentheses is on percentage
Source: The Department of Statistic, Malaysia, June 2007

Appendix 3

Global Corruption Barometer 2007
Corruption's Impact on Different Sectors and Institution

To what extent do you perceive the following sectors in this country/teritory to be affected by corruption? (1: not all corrupt, 5: extremely corrupt)	Politi-cal Parties	Parlement/Legisla-ture	Business/Pri-vate Sector	Education/Sys-tem	Legal System/ Judici-ary	Po-lice	Regis-try & Permit Serv-ices	Tax Revenue Authori-ties
Asia Pacific	4.0	3.7	3.3	3.1	3.3	3.9	3.1	3.4
Cambodia	2.9	2.6	2.5	2.5	3.6	3.3	2.1	2.8
Hong Kong	3.2	2.7	3.5	2.7	2.4	3.0	2.1	2.2
India	4.6	3.9	3.4	3.4	3.8	4.5	3.7	3.4
Indonesia	4.0	4.1	3.1	3.0	4.1	4.2	3.8	3.6
Japan	4.3	3.8	3.6	3.3	3.0	3.7	2.7	3.3
Korea, South	4.2	4.1	3.5	3.2	3.5	3.5	2.4	3.3
Malaysia	3.6	2.8	3.0	2.2	2.7	3.7	3.1	2.3
Pakistan	3.9	3.8	3.4	3.0	3.5	4.3	3.9	4.1
Philipines	3.4	3.5	2.9	2.5	3.0	3.6	2.9	3.1
Singapore	2.2	2.0	2.7	1.9	2.1	2.0	1.9	1.9
Thailand	4.2	3.0	3.3	2.9	2.9	4.0	2.9	3.1

Source: Transparency International Global Corruption Barometer 2007.
         Figures are weighted. Shaded source are the highest for that particular country

Appendix 4

Public Sector Personnel per Establishment, 1989 - 1996

Year (1)	Total No. of Posts (2)	Percentage of Increase/De-crease Compared to Previous Year (3)	Total No of Personnel (4)	Percentage of Increase/De-crease compared to Previous Year (5)	Differences Between Total Post and Total Personnel (6) = (2) - (4)	Ratio of Differences with Total Posts (7) = (6) : (2)
1989	817,234	-	717,741	-	99,493	0.12
1990	837,107	[+]2%	698,422	[-]2%	138,685	0.17
1991	849,025	[+]1%	709,018	[+]2%	140,007	0.16
1992	827,279	[-]3%	690,014	[-]3%	137,265	0.17
1993	841,833	[+]2%	683,484	[-]0.9%	158,349	0.19
1994	814,506	[-]3%	677,394	[-]0.9%	137,112	0.17
1995	831,049	[+]2%	671,677	[-]0.8%	159,372	0.19
1996	878,646	[+]5.7%	669,948	[-]0.2%	208,698	0.24

Note: Figure excluded the Police and Armed Force
Source: Public Service Department, Government of Malaysia, 1996

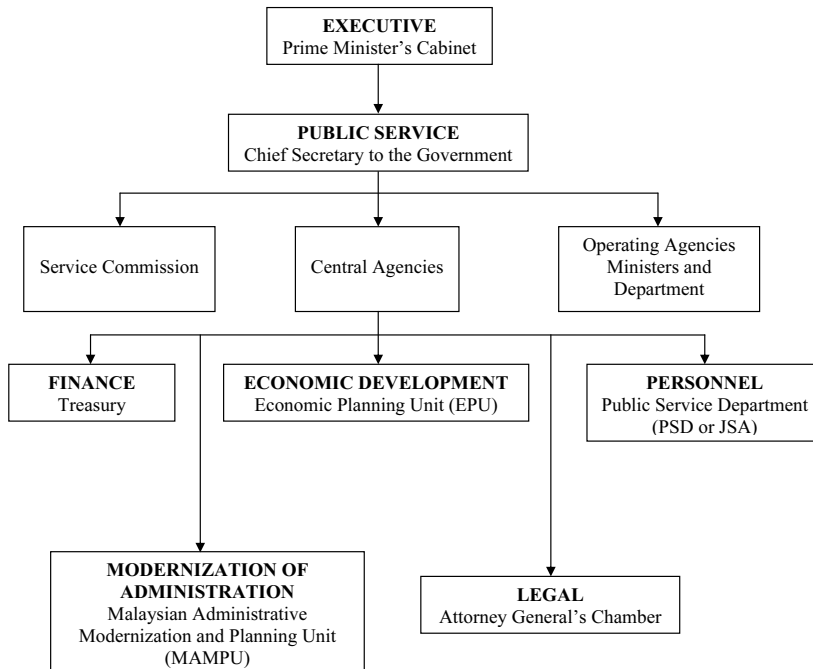Appendix 5

Restructuring of Public Sector Agencies in 1996

No	Type of Agencies	Total Agencies	No of Agencies Restructured	No of Agencies That Have Not Been Restructurized
1	Federal Services	136 (100)	132 (97.1)	4 (2.9)
2	State Services	275 (100)	159 (57.8)	116 (42.2)
3	Federal Statutory Bodies	71 (100)	58 (82.5)	13 (17.5)
4	State Statutory Bodies	71 (100)	0 (0).	71 (100)
5	Local Authorities	142 (100)	120 (84.5)	22 (15.5)
	Total	**695 (100)**	**469 (67.5)**	**226 (32.5)**

Note: Number in parentheses are the percentage
Source : Public Services Department, Government of Malaysia, 1996

Appendix 6

Federal Government Organization of the Malaysian's Bureaucracy System

Source: Adapted from Figure 7.1, p. 89 of Mokhtar Mohd. Yusof, 2005, "Information System and Executive Role: The Pre-Electronic Government Era Experience", Utusan Publications and Distribution Sdn. Bhd., Kuala Lumpur, Malaysia, 2005

Appendix 7

Number of Government Agencies and Employees as of 31 December 2002

No	Category	Number of Agencies	Number of Employment	Employee per Agencies
1	Federal Public Service	119	783,052	6,580.3
2	Federal Statutory Bodies	92	95,447	1,037.5
3	State Public Services	259	89,778	346.6
4	State Statutory Bodies	96	18,912	197.0
5	Local Authorities	143	38,954	272.4
	Total	**709**	**1,026,143**	**1,447.3**

Source: Public Service Department, Malaysia: 2003.