

Values that a in manageme

NST - 5 JAN 1987

THE theme chosen for this inaugural meeting, "Towards improving management capabilities in the country", is most appropriate to events in the private and public sectors. These incidents provide a challenge to management to prove its capabilities to bring changes as well as to assist the revitalisation of the national economy.

Management is not needed if a person lives in isolation. A person who meditates in an isolated area where there is no other human being does not need management — he does not need to manage or conduct business with anyone.

If two people interact, then, management comes in. Both must organise, consciously or not, the relationship between them so that there will not be too many conflicts between them and if they agree, to establish a level of co-operation. They have to manage their relationship so as to extract something from their contact.

The bigger the society, the more complex the management required. At the family level, management is simpler than that required of a kampung's, kampung than that of a city's and city than that of a country's. The bigger the country becomes through population growth or territorial expansion, the more difficult it will become to be managed effectively.

Whether a society or race is successful or not depends on the level of the management efficiency found in that society or race. This awareness has made us emphasise management training to the extent that we have an institution specifically for this objective.

In the course of this seminar, I am confident you will hear various opinions or measures to improve management efficiency. Surely emphasis will be given to the various management systems that have been formulated consciously (or that have evolved gradually).

There are nations that inherited management efficiency that have been improved gradually in each successive generation. There are also modern nations that have formulated management systems based on case studies and other analysis.

Practices

When we refer to the "Look East" term, apart from its work ethics we also refer to the Japanese management system. This system that calls for consultation "from bottom to the top", lifetime employment and other characteristics, is probably regarded as clumsy and time-consuming.

However, it cannot be denied that Japanese companies and enterprises have had more successes than failures compared with their counterparts in other

An edited translation of the Prime of the seminar on *Towards impro the country* held in Kuala Lumpur

ectors act as if the company's money is theirs and they are free to do whatever they want with it. Management procedures, systems and working rules are ignored in these public limited companies. And so now we witness some undesirable happenings.

Although the Government is not actually a company but the administration of the country by whatever type of a Government is still a form of management. In feudal times, the administration is similar to that of the family owned or individual company. But now it is the time of a Government as a public limited company which needs the management style of these companies.

The most distinguishing feature of a Government administration is that there is no profit motive, which is the main incentive for commercial enterprises. This results in certain unhealthy attitudes and behaviour.

How this problem can be overcome, maybe, will be discussed by you. I, on the other hand, like to mention some personal values which I consider should be given attention as these virtues are actually more important and effective than whatever management sys-

the profit or loss of public assets will in the end be the burden of the public.

Therefore, our commitment always differs between these two responsibilities because we always forget we are also members of the public and what befalls society will also affect us.

Distractions

Trustworthy people will handle management of public assets with full responsibility, similar if not greater than the responsibility they will display in handling their own assets.

If such is the attitude of people who manage public assets, the manage-



ment will therefore be good. There will be no mismanagement, negligence, wastage, corruption and others. In the Government, the end result will be an efficient and smooth administration which will benefit the people, and the

It is for this reason that primitive societies were not big. In the Stone Age, societies were limited to singular families. If a son grew up into an adult and challenged the head of the family, the outcome was that he took over as the head of the family if he defeated his father. Or if he failed, he had to move out and set up his own family. Even now, in several parts of the world, such a system exists.

If a group of human beings successfully manages a bigger community that includes extended families and later, other families, a civilisation is therefore formed where management improves, whether it is realised by them or not. Well-known civilisations like those in Egypt, China, Greece, Rome, Persia, Arabia and others are the result of efficient management, that is, the administration found in these civilisations.

In this modern age, efficient management is more important as people have to interact with one another, between one society and another, between one race and another, and in fact, the human community has also tried to administer the world.



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countries. Perhaps there is something in this Japanese system which contributes to its success.

Before the introduction of public limited companies in Malaysia, firms were individual or family owned. Management of family-owned companies were by members of the family who were normally not professionals in the management field. The efficiency of their management was based on the natural talents of the founder of the business or his exposure since childhood to business.

Since management in Malaysia has traditionally been based on individual or family owned companies, these practices were also incorporated into the public limited companies.

It is for this reason that we see managers and dir-

tems being practised.

We cannot ignore the fact that in the end, all systems are managed by people and "the system is only as good as the people who man it." Even the best system will not bring in results if the people involved in implementation are unqualified or possess negative personal values.

The most important value is trust. In personal management, trust is still needed. But trust becomes the main factor in the management of non-personal assets.

In Government administration, just like in the management of public companies, trust is needed because we are trustees to the business and assets belonging to others. While the profit or loss of personal assets is a personal responsibility,

country and ourselves too.

A positive frame of mind and physical cleanliness will assist effective management. Negative frame of mind will result in suspicion of policies and directives which will hamper efforts to successfully implement these policies and directives.

A person with a clear mind will concentrate on the positive aspects of a task assigned to him. Without these negative suspicions, his mind will not be disturbed. With the interest in the work, he will do his job well.

Physical cleanliness will directly assist work. A person and his environment needs to be clean to reduce distractions. To understand the role of physical cleanliness, we have to apply the *reduc-*

re crucial nt: Mahathir

**Minister's speech at the opening
ving management capabilities in
on Saturday.**

to ad absurdum principle.

If our bodies are dirty and we are in a place full of rubbish and which is smelly, we cannot think effectively or work with much efficiency. Our health will be affected and we cannot give a 100 per cent concentration to our work.

If we are involved in a management where the situation or environment is very bad, it is impossible for the management to produce excellent performance. On the other hand, if the environment is clean and pleasant, there will be not only no distractions but also a kind of spirit that will influence us to work with

cret as in the past. If we are willing to learn and, and more importantly, if we are willing to practise what we have learnt, we can become efficient.

One natural trait of human beings is that if an action is repeated several times, efficiency will improve. Therefore, there is no reason why someone cannot improve his level of efficiency to the maximum.

The lessons of management, just like other lessons, will be inadequate unless we have experience. Do not assume that a degree in management or business administration will make us better than those who do not have these paper qualifi-

text that it is to improve the old system. Unfortunately, we are going to find out that this new system is also defective since it will also be implemented by the same people.

In a book entitled, *Made in Japan*, Akio Morita, founder and Chief Executive Officer of Sony Corporation, relates the origins of the existing Japanese management system. Actually, this system was forced upon the Japanese by the Americans who defeated Japan in World War Two (WW II).

Loyalty

Before WW II, Japanese firms were controlled by big corporations or *zaibatsus* which applied authoritarian will in their management. They chose and dismissed workers at will. Workers worked out of fear and under the belief that they were doing it for national interests. This made the *zaibatsus* successful in the field of manufacturing especially in supplying war materials.

To destroy these *zaibatsus*, the American military administration banned holding companies and disallowed dismissal of workers. This was the origins of the concept of "lifelong em-

huge corporation, no smaller than the *zaibatsus* of the past.

If we accept the principle that what is important is not a management system but the attitude of the people running it, then, when a system shows signs of failure, we should not simply dismiss the system.

It is better if we study the weaknesses that perhaps lie with us. Do not easily blame others or even the adopted management system. As we have more control over ourselves than over others we should be more capable of correcting ourselves than others.

Our objective should be to improve management. Before we formulate many more systems and methods to improve our administration, we should look back and study the several approaches attempted that were supposed to improve our management performance. For example, we should check our work manual and desk files.

I believe if we refer to work manuals and desk files for every work that we do together with available check-lists and work-flow charts, all matters can be settled smoothly and quickly.

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greater interest.
It is clear from these

cations but who have extensive experience.

extreme comparisons that the achievement between those who are dirty and those who are clean is most striking. Therefore, as our environment becomes cleaner, the more comfortable and a higher achievement for us in our jobs.

Therefore, physical and mental cleanliness are characteristics that contribute to management performance. Countries which are disorganised and dirty and rife with slanders and innuendos have never become highly civilised and progressive nations.

For those who have been to foreign countries and observe the environment, comparisons can be made to prove the role of physical and mental cleanliness in the success of a country. And definitely the success is a result of good management.

Efficiency

Perhaps, efficient management comes from natural characteristics. But efficiency depends more on experience or exposure to prevailing practices and training available. Though trust and honesty are more important in administration efficiency can be a help to achieve success in management.

Among nations that do not have traditional management, training in this field is more important. And in this modern times, management techniques are no longer se-

Exposure to management for several years is needed before efficiency can be achieved. Normally better efficiency and management will result from wider experience.

Trust, cleanliness and efficiency are the most important values in determining the success or failure in management. Nevertheless, there are other values that are also needed for effective administration. Industry, loyalty, discipline, effective communication and others contribute to the effectiveness of a particular administration.

If we want to improve management efficiency, all these values must be

employment".

However, the Japanese companies made this concept an asset. They inculcated the family spirit and loyalty which was no different from the patriotism of Japanese workers under the *zaibatsus*. The difference between executives and workers and white and blue-collared workers, were not stressed. In our Government, we too, have lifelong employment but this appears to obstruct discipline and the family spirit.

What is clear from Akio Morita's experience is that systems do not ensure the success of managements. What is important is the attitude and

Systems

The question we should ask is, whether these manuals and charts are not effective or are we fully using them. If we have fully used them but performance still remains low, then, it is better we formulate new systems and methods.

If not, it is better that we try again. I am mentioning this as an example of how enthusiastic we are in formulating new systems but not using it to the maximum.

I have tried to voice my views that might be relevant to the topic of the seminar. I hope this seminar helps achieve the objective of improve-



Before WW II, Japanese firms were controlled by big corporations or *zaibatsus* which applied authoritarian will in their management. They chose and dismissed workers at will. Workers worked out of fear and under the belief that they were doing it for national interests.

emphasised. In our effort to improve a particular situation, we resort to formulation of new systems. Sometimes, we are so preoccupied with these systems that we forget about the people involved in the implementation.

When we encounter failure, we blame the system and find or invent new ones under the pre-

values of the Japanese workers. Whatever systems used, workers' loyalty and management's understanding of human and interhuman psychology will result in excellent performance.

Thus, Sony Corporation which started 40 years ago in a bombed and burnt out department store is today a

ment in management.

We also organise a lot of seminars but the results are not seen. Maybe this seminar will suggest a way to evaluate the impact of this seminar in the improvement of the administration of this country. A seminar should not be just an academic exercise. It should yield practical and tangible results.