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SPEECH BY THE PRIME MINISTER AT THE ANNUAL DINNER OF THE MALAYSIAN INSTITUTE OF MANAGEMENT AT HILTON HOTEL, KUALA LUMPUR ON 5TH SEPTEMBER, 1975

Yang Mulia Raja Tan Sri Mohar, President MIM, Ladies and Gentlemen.

It gives me great pleasure to be with you all once again for this third reunion with the Malaysian Institute of Management. I was at your first Annual Dinner in 1967 and then again in 1969 when I had the pleasure of being made an Honorary Fellow of the Institute.

Judging from the number of people present at this dinner tonight, your Institute has since then greatly grown and expanded. I can see many new faces tonight who were not present on the two previous occasions and I am therefore heartened to see how much your membership has grown. At the same time, I am happy to see old faces and many friends of earlier days present here including my personal and long standing friend, your President himself.

As you all know, Raja Tan Sri Mohar and myself are contemporaries. There are only a few days difference in our ages and we first met during our school days in Kuala Kangsar. The only misfortune of Raja Tan Sri Mohar's past was that he went to the wrong school—Clifford School, Kuala Kangsar. I was, of course, at the Malay College. We have been through many experiences together since then, through our student days in Raffles College and in England, through War and Occupation, through our early days in the Civil Service, and destiny continues to keep us together. Today, his office is next to mine and we do see each other often. I have therefore been kept very closely informed of the development of your Institute and how much it has contributed to the progress of our country.

Ladies and Gentlemen,

I would like to take this opportunity tonight to stress on some of the important tasks of modern managers and management concept for Malaysia today.

Management in the old days was a relatively simple process. Business in general was confined to the extraction of natural resources, exporting them in their raw form to developed industrialised countries and the provision of basic infrastructure for such activities. The work force was provided through the indentured labour system or the contract system.

Management, therefore, had little relationship with the people. Indeed, during that period, social problems were very few as people were quite happy and contented with what they had. For example, people were quite content to remain in their villages and were satisfied with the primary education provided to them by the colonial administration.

But there is a world of difference between then and now as our country has been transformed into a new form of socio-political and economic system that could not have been imagined thirty to forty years ago or even before Independence. Modern managers nowadays have to face, on the one hand, the critical problems of poverty, economic and regional imbalance, rapid population growth, social disorders such as crime and drug problems, issues concerning national security and international political as well as economic crises.

On the other hand, modern managers in Malaysia are also accorded with new opportunities which could be put to good use such as the increase in the sum total of knowledge, the advancement in technology such as in the field of electronics that has revolutionised the process of decision-making, planning and also communication, the development in human resources and the discovery of new sources of wealth.

The task of a modern manager is, therefore, to bring to bear these opportunities on the solutions of those problems. But, to do so, he must also be mindful of the dynamics of the Malaysian environment, namely the inter-related elements in the social, economic and political systems which can guide his actions. These inter-related elements are the national objectives of the New Economic Policy and the Rukunegara which embodies the principles of good citizenship, the increasing aspirations and expectations of society and last, but not least, changes in the cultural and political values which have brought about concomitant changes in inter-personal and community relationships.

Ladies and Gentlemen,

In such an environment, modern Malaysian managers must, therefore, pay more heed to what is expected of them. As I recalled it, it was Plato who said in his famous work *The Republic* that a state comes into being because no individual is self-sufficing. We all have many needs, he said, which can only be fulfilled by a system of human inter-relationships and interdependence. Such inter-dependence is found not only at the village level, city level or the national level but also at the international level. What our neighbour does whether in a village community or an international community will invariably affect our lives and our future.

A modern manager now, therefore, has to deal with people and all the intricacies of human behaviour. He must continuously improve his interpersonal skill, that is, his capacity to deal with people those he works with, whether he is Marketing Manager or District Officer—namely, the customers, farmers, employees and others. He has to improve his leadership skills so as to enable him to infuse appropriate values and attitudes that are conducive to development.

It is important to realise that because often there are those who still entertain the idea that we are living in a Hobbesian world of zero-sum game where if someone wins somebody else is bound to lose. This is, of course, not quite true. We should see it as an expanding pie in which every citizen will be able to have a larger share of the wealth of the country as we develop our economy.

Indeed, Malaysia is a land of growing opportunities which will benefit every single one of us if we work hard and develop greater sense of community consciousness, self-reliance and self-discipline. We could easily eliminate poverty amongst us and achieve national prosperity much faster if we the rakyat that comprise the workers, farmers, politicians, managers and the administrators, could develop the capability of "internal self-control", for only in this way can we be more successful in directing our energies and emotions towards constructive purposes.

As can be seen, this good quality is very evident to the managers and administrators in the private sector and the civil service. In the public sector, it is necessary that government

officers should be able to behave and to act without external control and formal sanctions. Managers are not machines and should not have their actions and behaviour controlled and guided by someone else. They are leaders who should be guided by their sense of mission and purpose, their conscience, their loyalty and integrity. Only in this way can be more effective in eliminating inefficiency and corruption. And only in this way can we be more effective in steering the country towards greater prosperity.

Ladies and Gentlemen,

It is the policy of the Government that we should achieve a steady rate of growth and where the emphasis is on the concept of viability: a viable economy, a viable democracy and a viable society. In general economic terms, our GNP has shown an increase of 77% since 1970 that from \$11,617 million to \$20,664 million in 1975—at the rate of 13% per annum. Despite our population growth, the per capita income has increased by 55 per cent since 1970 or if we want to put it another way, an annual increase of 9 per cent, that is from \$1,076 in 1970 to \$1,667 in 1975.

This economic progress has been made possible through a tremendous amount of government inputs. The Government expenditure has increased from \$2,886 million in 1970 to \$6,900 million in 1975 at current prices. This mean that although our population has increased from about 11 million in 1970 to slightly over 12 million in 1975, our per capita expenditure has doubled that is from \$267 per year in 1970 to \$559 per year in 1975. In short, the government is providing twice as much "goods and services" to the people in 1975 as compared to five or six years ago.

With government expenditure increasing at the rate of 23 per cent per annum as shown in the past, this indicates that more is being done to solve the problems of the people. This means that there is a greater need for proper management in the public sector to ensure more effective and responsible expenditure in order to gain maximum benefit for the people. .

For this reason, the government is putting more stress on management development in the public sector to increase the administrative and management skills as well as to develop a greater sense of motivation and cohesion among the civil servants.

A major step in this direction has been the establishment in September 1972 of the National Institute of Public Administration or INTAN as it is popularly known, whose responsibility among other things is to increase the capacity for action of the administrative system as a whole in terms of its ability to effectively develop and implement national policies and programmes.

This Institute is being strengthened continuously first, to enable the public sector to cope effectively with its ever-increasing role in national development. And, secondly, we in Malaysia need to develop our own management technology because we have our own unique problems to solve. This is a matter of necessity as we cannot go on importing foreign management technology forever, particularly this will mean, in the first place, that the methods adopted are for solving problems of the industrial West. Even if such technology were adapted to our needs, it will not be as effective as an indigenous one.

In this respect, I am very pleased to note that the MIM has taken upon itself the responsibility of promoting an effective management system for the private sector.

I must congratulate the MIM not only for its dynamism in the field of management development, but more important still in its awareness of its growing social responsibility. Indeed, managers in the private sector should be reminded that they are not free from social responsibility that is responsibility to the society and not merely just to their own companies. The goals of profit-making should be pursued within the context of the over-riding goals of society itself. For example, in striving to achieve high production targets, managers must also pay equal attention to the progress of the Society as well as the need for redressing socio-economic inequalities.

Ladies and Gentlemen,

Finally, I would like to stress the close inter-relationship between the notions of stability, security and prosperity.

National development and national security are two sides of the same coin. We cannot have one without the other. They are inseparable. By national security, I am not just referring to the immediate problem of communist threats along our borders. I am also referring to the long-term stability of the total system that is our policy and society, where the people can live without fear of threats of any kind of their lives and property, such as acts of terrorism whether in the jungles or in the towns, street demonstrations, political subversion, industrial unrest, robberies, murders and so on.

National security is, as I have stressed so very often, not just a matter for the armed forces and the police alone to handle. Managers have an equally important role to play. Sometimes the role is direct such as that played by the courageous managers involved in the Temenggor Dam Project and the East-West Highway, who carry on their tasks of directing and motivating their workers undaunted and unmoved by the Communist banditry. There are times when the role is indirect, though no less important, such as maintaining industrial peace, creating employment opportunities and other activities aimed at fulfilling the needs of the people, thereby avoiding social unrest.

Therefore, an effective and imaginative mobilization of all the productive resources of the nation is not merely for the sake of achieving economic objectives alone but should also be looked upon as an approach towards achieving long-term peace and stability.

But, above all, I might say, the ultimate challenge to the modern managers is the extent to which they can develop a sense of personal worth, a quality that will enable them to resist influences that may corrupt their personal character and provide them with greater strength, courage and motivation to defend their individual as well as national integrity. Those who are able to do so will be the successful managers who will be able to enjoy the satisfaction of living as well as working.

Ladies and Gentlemen,

It has indeed been a pleasure for my wife and I to be with you all tonight on this occasion of the MIM Annual Dinner and I would like to thank you, Mr President, for having kindly invited us. May I wish your Institute every success for the future.