

**SPEECH OF ACCEPTANCE BY THE PRIME MINISTER
ON THE CONFERMENT OF A FELLOWSHIP BY THE
MALAYSIAN INSTITUTE OF MANAGEMENT AT THE
NIRWANA BALLROOM OF THE KUALA LUMPUR
HILTON, ON 24TH MARCH, 1979.**

Yang Mulia, Raja Tan Sri Mohar Presiden Yayasan Pengurusan Malaysia, Ahli-Ahli General Council dan Pegawai-pegawai Kanan, Yayasan Pengurusan Malaysia, Puan Paddy Schubert, Pengerusi Jawatankuasa Pengurusan, Yang Amat Berbahagia, Tun Tan Siew Sin, Yang Berhormat, Menteri-menteri dan Timbalan-timbalan Menteri, Yang Berbahagia, Tan Sri Ismail Mohd Ali, Gabenor Bank Negara, Encik Lee Ee Seng, Tuan Yang Terutama, Tan Sri Ikechi Hara, Duta Besar Negeri Jepun, tetamu-tetamu kehormat, tuan-tuan dan puan-puan sekalian.

Saya mengucapkan berbanyak terima kasih serta setinggi-tinggi penghargaan kepada Institut Pengurusan Malaysia, kerana menganugerahkan kepada saya Fellowship Kehormat Institutnya. Walaupun Pengerusi Management Committee, Puan Paddy Schubert, dalam citationnya sebentar tadi, telah menghuraikan jasa dan kelayakan saya, semuanya itu bolehlah didengar tetapi dipakai jangan.

Institut Pengurusan Malaysia adalah salah sebuah badan yang mengambil bahagian yang aktif dalam usaha melatih orang-orang kita dalam bidang pengurusan, iaitu management. Kita semua mengetahui betapa kurangnya orang-orang kita dalam bidang ini, terutama di kalangan kaum Bumiputera. Sebentar tadi, kita telah mendengar ucapan Presidennya, Y.M. Raja Tan Sri Mohar, berkenaan dengan kegiatan-kegiatan dan usaha-usaha yang telah dijalankan oleh Institut itu. Kita yakin bahawa kegiatan-kegiatan dan usaha-usaha itu akan diteruskan, dan semolek-moleknya dilipatgandakan lagi. Kita mendoakan supaya Institut ini maju jaya supaya ia dapat meneruskan perkhidmatan dan sumbangannya kepada pembangunan negara.

Ladies and Gentlemen,

It is a great honour to me to be conferred with an Honorary Fellowship by the Malaysia Institute of Management. The Chairman of the Institute, Puan Paddy Schubert, in her citation has given a glowing account and justification of my suitability to be awarded the Fellow-

ship. I am not so sure about the accuracy of her account, and less so about her justification. I have always believed in working as a team and as partners. It is prudent to do so in a private enterprise, and more so in a government. The honour that the Institute has bestowed upon me tonight, should rightly belong to the whole government, especially my cabinet colleagues. We do not only practise strictly parliamentary democracy, but collective cabinet responsibility as well. This means that we work as a team and as partners.

It is appropriate, I think, that I take the opportunity at this august gathering to say a few words about the Government's relentless and unceasing efforts to eradicate poverty and restructure the society. The Mid-Term Review of the Third Malaysia Plan has been presented to the Dewan Rakyat and the people. Whatever may be the views for or against the achievement, non-achievements, shortcomings, weaknesses omissions and problems disclosed in the Review, one thing stands out very clearly, and that is, the Government will not relax its efforts; the Government will not be discouraged by temporary failures here and there; and above all the Government will not remain indifferent or passive to attempts to create obstacles and difficulties in the achievement of the objectives of the New Economic Policy.

Ladies and Gentlemen,

Before I come to the subject of management, permit me to say a few words about industrial relations — employers and employees relationship — in this country. Our country is a developing country; its present and future stability, security and well-being depend on its continuing economic and social development. To achieve this, it requires, among others, a good climate to attract foreign investment. While the Government will continue to encourage trade unions in the country, it must, however, ensure that they are properly organized and act responsibly in accordance with the law. Above all, they must not act to the detriment of the country's economy and the people. There are ample examples of this happening in some countries. The examples shown in those countries will not be allowed to happen or be copied in this country. We will not allow this country to commit economic suicide. Further, we resent and strongly object to any interference by any international body, under whatever guise, to interfere in the internal affairs of this country. This country will not give way to threat, blackmail, hijacking, insult and rudeness. We are prepared and willing to make sacrifices; we will never submit to strong-armed methods.

Many of the foreign organisations, (including the ITWF), have as their objectives, the struggle for freedom, anti-colonialism and democracy, yet in their action they resort to activities contrary to those ideals. If we allow foreign bodies to interfere in our internal affairs, then they become our masters and our independence becomes meaningless. We fought for independence in order that we may decide our own destiny and our own course of action. Nobody, except the citizens of this country, has the right to tell us what we should or should not do.

Ladies and Gentlemen,

It is said that management is the art of coordinating the elements or factors of production towards the achievement of the purposes of an organisation. It is the accomplishment of objectives through the use of men, materials and machines. Any enterprise, whether public or private, must be controlled. The control of an enterprise is effected through administration and management. Administration consists of the determination of the goals and the policies of the enterprise. For administration and management to function effectively, there must be a proper structuring of the enterprise. This is organisation, which has been termed the keystone on which the entire structure of any enterprise is based. Management is seen as the carrying out of the policies of administration through the framework of organisation. Management has been called both a science and an art.

What I have just said about management, has great relevance to what the Government has been doing and is still doing now. Under the Mid-Term Review of the Third Malaysia Plan, the allocations for development projects have been increased by 73%, bringing the total to \$32.1 billion. This is undoubtedly a massive investment. It contains major projects in land development, housing, road building, electricity and water supplies, health and education. To plan and implement these projects, the management capacity will have to be improved and strengthened.

The Government itself has increasingly taken part in trade and industry through its statutory bodies, such as Perbadanan Nasional (PERNAS), Urban Development Authority (UDA), Malaysian Airline System (MAS) and State Economic Development Corporations (SEDCs). Expertise, which formerly were found only in the private sector, is now required in the public sector. A new breed of officers, equipped with these expertise, will have to be developed.

Faced with the massive task of implementing the various development plan, the Government established a number of institutions for training its managers. Institut Tadbiran Awam (INTAN) and the National Productivity Centre (NPC) are two of such institutions. These institutions are constantly being developed and improved.

I notice that interaction between these Government institutions and the private sector management bodies have largely been on an adhoc basis. I, therefore, would like serious thoughts to be given to more exchanges of ideas and techniques between managers in the Government and the private sector.

Many of the modern management concepts and practices were evolved in the West. They naturally are based on the socio-economic and cultural environments in those countries. Malaysia, with its own cultural economic background, will need to develop its own management philosophy and techniques. Japan has successfully evolved its own management philosophy and techniques, in order to cater for its cultural peculiarity, where the paternal influence of the home is strongly felt even within firms and factories.

The need for our own management approach is further exemplified by our experience in planning and implementing the rural development plan. The Red Book system was one of our innovations to management in our rural development efforts. Through the technique of the Red Book and the Operations Room, instituted by the late Tun Razak, we achieve creditable success in planning and implementation of infrastructure development so necessary to further economic progress.

We are today faced with a more difficult task, that of social engineering. We need a more defined tool to tackle this problem. Those civil servants who have been entrusted with the responsibility for rural development are painfully aware of the inadequency of traditional civil service management techniques. They invariably find that their efforts are not met with commensurate returns. New management techniques are required. They will need to understand the society they are working to improve; particularly how to motivate the people to respond to their efforts as planned by them MIM, INTAN and the other planning and training agencies may usefully give serious thought to this management requirement.

In a multi-racial society such as ours conflict management is pre-requisite to political stability. Conflict management is one of the

main tasks of Government. Awareness of the need for compromise, balance and fair play are essential to the civil servants for them to make recommendations on policy options. Although conflict management in this context is essentially the concern of Government, the private sector has a role to play. Their decision in recruitment fixing of wages, allocation of function and duties impinge on racial sensitivities. The private sector in that sense should be aware of areas of potential conflict, and take appropriate measures to resolve them. I would therefore commend to our managers to give serious thought to the problem of conflict management which is vital to the political stability and prosperity of this country.

Ladies and Gentlemen,

Before I conclude, I would like to reiterate with regard to the role of the private sector in the Government's development efforts. The Government has clearly indicated many times that economic development in our country, and the prospects for achieving the socio-economic objectives of the New Economic Policy within the context of growth, depend largely on dynamic expansion of the private sector. Therefore while the public sector programme has considerable importance for development, the Third Malaysia Plan has also given high priority to the rapid advancement of the private sector, because of its important role throughout the economy. The Private sector provides the major source of output, income and employment creation in the country. In addition, entrepreneurship, private investment and the transfer of technology are essential for agricultural modernisation and industrial development. This recognition of the role of the private sector has never changed; in fact, it has been further emphasised in the Mid-Term Review.

As far as management is concerned, it is not only the public sector that needs improvement and modernisation of its concepts and techniques, the private sector equally needs such changes and improvements as well.

Ladies and Gentlemen,

In conclusion, I would like to thank the Malaysia Institute of Management for the great honour it has bestowed upon me, in making me a Fellow of its Institute, and for the excellent dinner it has given my wife and I. Thank you.