

**By : DATO' SRI MOHD NAJIB TUN ABD RAZAK**  
**Venue : INTEGRITY INSTITUTE OF MALAYSIA, JALAN DUTA, KUALA LUMPUR**  
**Date : 08-08-2005**  
**Title : SEMINAR ON THE NATIONAL INTEGRITY PLAN- REINVENTING THE FUTURE THROUGH GOOD GOVERNANCE**

Distinguished speakers and guests, ladies and gentlemen.

Assalamualaikum Warahmatullahi Wabarakatuh and Salam Sejahtera.

1. First of all, I would like to thank the co-organisers of this event, the Malaysian Institute of Integrity and Malaysian Institute of Corporate Governance for inviting me to deliver this morning's keynote address. The two organisers deserve to be congratulated for their efforts to host this seminar. The National Integrity Plan is fast gaining prominence and is beginning to have profound effect on the conduct of both business and social development in Malaysia.

2. As you will no doubt be hearing from the many practitioners and advocates present, the National Integrity Plan and its components is a subject that covers a wide spectrum of issues such as corruption, public service delivery system, corporate governance and business ethics, family, and quality of life. It is precisely because of this broad spectrum that cooperation is needed from all stakeholders to ensure its success. I am pleased that all of you have taken the time to participate in this seminar, which proves your sincerity and willingness to contribute towards a better Malaysia.

Ladies and gentlemen,

3. The National Integrity Plan (NIP) was accepted by the Government and various sectors of society as a plan of action to enhance ethics and integrity. Launched by our Prime Minister, YAB Dato' Seri Abdullah Haji Ahmad Badawi on the 23 April 2004 at Putrajaya, the NIP has an overall objective of realising the aspirations of Vision 2020, that is, "to establish a fully moral and ethical society whose citizens are strong in religious and spiritual values and imbued with the highest ethical standards."

4. Vision 2020 aims to go beyond just the attainment of material wealth and economic advancement. Our former Prime Minister, Tun Dr. Mahathir Mohamed, when presenting his groundbreaking paper, The Way Forward, in February of 1991, cautioned us all against making economic development the "be-all and end-all" of our national endeavours. The ultimate aim of the Vision is to establish a nation that is united, a Malaysian society infused by strong moral and ethical values, democratic, liberal, tolerant, caring, economically just and equitable, progressive and prosperous. All these goals are of course underpinned by an economy that is competitive, dynamic, robust and resilient.

5. This holistic approach to modernization under Vision 2020 has been underscored and given additional impetus by Dato' Seri Abdullah Haji Ahmad Badawi. The launch of the National Integrity Plan (Pelan Integriti Nasional) and the Malaysian Institute of Integrity (Institut Integriti Malaysia) demonstrate the Malaysian Government's commitment to achieving economic progress that is consistent with good personal values and ethical corporate conduct.

6. As part of this plan, the government has outlined key strategic objectives to be achieved within the next five years. Among the objectives are: to reduce corruption, mismanagement and abuse of power; to enhance the level of efficiency in the public delivery systems of the civil service; and to improve corporate governance and business ethics. These areas, I believe, are among the key drivers that would further promote the continuous development of the country's economy. This is where the captains of industry and senior government officials can play their respective significant roles. I am certain that the introduction of the National Integrity Plan (NIP) will bring us closer to realizing Vision 2020's goal of creating a moral and ethical society, by addressing pressing fundamental challenges facing the nation today.

7. To achieve the objectives of the NIP, we need to be more results-oriented and to re-look at the challenges that lie ahead especially in changing our mindset and behaviour for the better. It is a difficult task for a few individuals but not an impossible one for a multi-cultural and multi-religious nation with a strong political will like Malaysia. Our culture, faiths and religions give us Malaysians a strong foundation in fostering a more wholesome society and consequently this gives us an excellent opportunity to demonstrate to the world our resilience, will and determination to re-engineer our society to meet our ideals.

Ladies and gentlemen,

8. First and foremost, in the course of building a nation of integrity, the country needs more knowledgeable and educated Malaysians who are wise, honest, fair, and transparent. Moreover, we need Malaysians who appreciate the abundance of blessings that we have been fortunate to receive, and we need more Malaysians with integrity. We would like to see the Malaysian workforce being recognized for all its noble virtues in addition to its skills and professionalism.

9. Often times, in discussing the Malaysian workforce, it is all too easy for us to focus on our preference for technically skilled workers and overlook the need for additional qualities that workers ought to possess. We need to take a moment and ask ourselves how we can train more Malaysians to possess greater attributes beyond the ordinary skills of specific jobs.

10. The key to this is of course, knowledge. Mass producing workers is not enough. Malaysia needs to stand out as the home ground of knowledge-workers, those that are committed to learning and re-learning continuously to improve themselves and diversify their abilities. By doing so, Malaysia will be able to draw more knowledge-based industries leading to the creation of an intelligent hub.

11. To accomplish this, Malaysia's workers must be encouraged to learn. They must be trained to appreciate and value the learning process. They must in and of themselves hunger for knowledge. To this end there must be clear and transparent structures in place to recognise the application and sharing of knowledge, and a just remuneration system to reward the very best Malaysians working in the private and government sector, based on productivity and intellectual development.

12. At the same time, the Malaysian workforce must be trained be able to work and function in an environment of good corporate governance. Responsibility and accountability are core elements that must be inculcated in every employee, so that good governance principles become part and parcel of the corporate culture of the

organization ultimately contributing to the organization's improved performance.

Ladies and gentlemen,

13. Effective adoption of Corporate Governance best practices has the twin effects of improving both short-term and long-term corporate performance. Companies that have embraced good Corporate Governance have found real and significant competitive advantages in the form of easier access to funds, enhanced brand image and reputation, an increased ability to attract and retain quality workforce, more effective risk management, reduced long-term cost and attractiveness to increasingly sophisticated institutional investors.

14. Corporate Governance efforts also allow companies to distinguish themselves from competitors, and add value to their brand. Better brand value proposition translates to better client and customer satisfaction especially in a world where consumers, employees and investors are becoming more discerning.

15. At the same time there seems to be a growing demand for corporations and organizations to be more socially accountable. The call for increased corporate social responsibility is becoming louder by the day. Corporations and organizations would do well to heed this call. Indeed, it cannot be denied that brand reputations can be enhanced if the causes that corporations support and represent are ethically or socially laudable.

16. The perception of the brand as socially responsible can often influence customer loyalty. From a national stand point, strong brands will also allow Malaysian companies to compete in the global market. Enterprises that are conscious of Corporate Governance will not just consider their own economic well-being, but also their corporate social responsibility and the environment in which they operate. This demonstration of caring and benevolent behaviour on the part of the business sector reinforces the community spirit of the nation, and will help us to successfully foster a more caring society.

Ladies and gentlemen,

17. The success of the NIP is also very much dependent on the participation of multiple stakeholders. Government policies and regulations can and do play an important role in encouraging the development of best practices of the NIP. However, while that may be the case, not all practices and changes in organizational behaviour can be legislated.

18. Beyond putting in place laws that promote the best practices of the NIP, the Government also acts as a facilitator. In striving forward, delivery systems must be monitored and shaped to ensure optimum results. We need to be more open in sharing information on best practices especially on operational matters among the various government agencies. Continuous improvement and performance benchmarking is a must for measuring and comparing the quality of service and products. Simple things such as suggestion boxes and recognition for the best suggestion can be utilised for the purpose of cultivating a culture of improvement.

19. In the same light, public complaints and suggestions must be viewed as a challenge and not as something negative. Swift action should be taken by Government and municipal agencies in addressing public queries via e-mails,

facsimiles or telephones and all remedial actions on public complaints should be transparent. All organisations and agencies which are seriously considering good governance should consider the adoption of appropriate codes of conduct as a starting point. Only when everyone at every level is involved in the improvement process will the delivery system see greater ownership and responsibility.

20. Meanwhile, the role of NGOs and professional bodies are also important to complement the Government's efforts to spur good governance. By raising public awareness and expectations, NGOs and professional bodies can strongly impress upon companies and government agencies to go beyond their minimal statutory duties and legislative requirements. It is encouraging to note that the Malaysian corporate sector is beginning to embrace good governance in earnest. But obviously there is still room for improvement. We need to create a real-time benchmark of companies and government agencies in good governance based on analysis of data and feedback collected from all stakeholders. The Government would like to see more agencies and Malaysian companies included in the list, especially among major public-listed companies.

21. I am also pleased to note that MICG will be finalising their Corporate Governance Ratings methodology before the end of the year. I encourage more government agencies and public listed companies to step forward to voluntarily have their governance standards benchmarked to the Corporate Governance Ratings. This will give us a good indication of the numbers of Malaysian companies and government agencies that have successfully adhered to some of the highest governance standards for their particular industries benchmarked globally.

22. Likewise, it is heartening to note that the Malaysian Institute of Integrity is putting together a chapter on good governance in the forthcoming 9th Malaysia Plan. The many suggestions from all concerned quarters will be compiled within the framework of the National Integrity Plan. This will be the blueprint for our continuing work to develop the human capital that could steer our economic policies ethically and with the highest level of integrity.

Ladies and gentlemen,

23. Vision 2020 is only 15 years away and we need to put more effort to expedite the pace of change towards realising the Vision. We need to walk the extra mile to ensure that our national aspirations are achieved in a timely manner.

24. In the coming months, IIM and MICG with the assistance of other agencies will be conducting a Corporate Governance Roadshow across the nation. Corporate Governance will be moving to the rural and urban sectors to spread the virtues and benefits of its inculcation into business practices. In addition, they will be also arranging to set up Corporate Governance Business Clubs within the local universities as a centre for the students to have sound understanding on corporate governance and integrity initiatives. I call upon the market players to come forward and support these noble efforts in any way possible. Indeed this is an excellent investment in the future of our nation.

25. As I said, the promotion and adoption of the National Integrity Plan is a long-term task that requires the collective action and support of all. Events such as this one today serve to provide a helpful primer on the issues, challenges and approaches we can adopt in the pursuits of an ethically sound economy.

26. I would urge all of us to tap into the wealth of experiences here. It is vital for the future of your enterprises as well as for Malaysia as a whole, to succeed in addressing the social, cultural, environmental and economic challenges that lie along our path towards achieving Vision 2020. I am sure all of you here are ready to meet the challenges ahead, and ever ready to contribute towards ensuring a better future for Malaysia.

Ladies and gentlemen,

27. I would like to thank the organizers once again for inviting me to be a part of this important event. I hope each and every one of you here will fully utilise this avenue to improve yourselves and to take back to your organizations the valuable insights that you would undoubtedly be sharing among yourselves today, towards the improvement of corporate governance in Malaysia. I wish you a successful seminar and all the very best in your deliberations.

Thank you.