

Penyampai : TAN SRI DATO SERI AHMAD SARJI BIN ABDUL HAMID
Tajuk : THE CLOSING CEREMONY OF THE NATIONAL CONFERENCE ON
ORGANIZATIONAL TRANSFORMATION AND MANAGING CHANGE
Lokasi : HOTEL ISTANA, KUALA LUMPUR
Tarikh : 15-04-1993

I am honoured to be invited this evening to officiate at the closing ceremony of The National Conference On organizational Transformation and Managing Change. I would like to congratulate the Business Times, the Malaysian Strategic Consultancy and INTAN for successfully organising this Conference.

As Heraclitus once said "the only permanent thing is change". Change is seen as the vehicle to move the country towards a fully developed nation by the year 2020. In the words of the Prime Minister, "By the year 2020, Malaysia can be a 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, caring, economically just and equitable, progressive and prosperous, and in full possession of an economy that is competitive, dynamic, robust and resilient." This common national vision has proved to be the prime mover for a paradigm shift in the public sector. The need to change, thus presents opportunities for the public sector to move away from past habits and practices towards new methodologies.

The public sector is always associate with bureaucracy. The word bureaucracy conjures up in some people the worst organizational nightmares. The people who have been subjected to the bureaucracy experience it as red tape, inflexible policies, and being hard to do business with. When decision seems to take forever. Bureaucracy is the stuff that gets in the way of doing the job, takes the fun out of work, and drives customers crazy or away. Even employees experience bureaucracy when departments do not cooperate, when office dissensions get the way of the departmental mission. The public sector relies on rules and regulations to control the exercise of official judgement - a system of checks and balances. We embrace our rules, regulations and procedures to prevent bad things from happening of course. But those same rules and regulations can prevent good things from happening. They can run government to a snail's pace. They can make it near impossible to respond to rapidly changing environment. They build wasted time and effort into the very fabric of the organization. So, the government has introduced the public service innovation award which carries the award of certificates, trophies and cash grants to any individual civil servant, group of civil servants or a department which produces new ideas or innovations such as a new technology or procedure and other changes which can lead to savings in energy, time and cost which in turn lead to increased work output in the public sector. Departments should scrape off the dead weight of accumulated rules and regulations and obsolete activities - in other words slough off the obsolete. To foster a culture of change, the public sector has thus created an environment conducive to the expression of creativity and innovativeness.

In the public sector, the most critical element in the change process is the translation of the common national vision into departmental goals, objectives and strategies.

The introduction of Total Quality Movement in the public sector marks the transformation of the existing culture into one that is customer driven and ultimately enables government agencies to achieve total quality in all operational aspects. Foremost, TQM requires all agencies to formulate their respective vision through the process of strategic quality planning. A carefully formulated vision serves as a source of motivation for the departmental staff, and lays the foundation for the department's quality objectives and improvement activities.

The public sector in Malaysia, over the last few years, has emplaced the structure for ensuring that quality efforts are initiated and coordinated at the highest rung of the management hierarchy. Each government agency has established a Steering Committee on Quality and Productivity responsible for designing quality improvement efforts. A Quality Coordinator is also appointed to head the Task Force to operationalise quality policies and programmes.

Quality Improvement Teams which are problem solving in nature have also been formed. We have designed The Quality Improvement Process Model which encompasses five steps: (i) strategic planning

whereby the top management sets clear directions for the department; (ii) determination of quality standards for output whereby the output and its quality standards for output whereby the output and its quality standards are set; (iii) determining process quality whereby the various stages in the production of the output are identified; (iv) determination of the quality of human resources whereby training and development of members of the organisation is given priority; and (v) the problem-solving process whereby problems are identified analysed and solved speedily.

Resistance to change is a natural phenomenon. The public sector has discovered a way of handling resistance and obstacles to change, that is, through communicating change programmes to all levels. Our premise is that information flow vertically and horizontally will reduce uncertainty during the change period to an acceptable level and elicit commitment to change. The mechanism for communicating the change programmes incorporate a three-prong strategy, namely the issuance of a series of Development Administration Circulars, instituting training programmes on these circulars; and, the introduction of the inspectorate system to follow through implementation.

Development Administration Circulars are used to convey directives, guidelines and suggestions on new administrative improvement programmes to all public sector agencies. These Circulars provide some example of the processes or activities which could be used as example.

Customer focus is enhanced through circulars on telephone and counter service and the monitoring of public complaints. Systems and procedures are improved through the Manual of Office Procedures, Desk Files and Work Action Form. Teamwork is cultivated through quality control circles and quality improvement teams. In the words of Aristotle, "We are known by what we do repeatedly. Excellence is not an act; it is a habit".

Historically, government departments have apportioned their training investment based on organizational level.

This meant that (on a per capita basis) the top civil servants got the most training and development, middle level officers somewhat less, supervisors less yet, and the lower staff the least. To achieve organizational change, the government has thought differently about how to apportion training investment. The public sector has charted a course whereby training and communications are used as change tools. The people whose role changes the most in the new organizational design need the most training. Every department must spend a greater per capita share of their training budget on the staff closest to the customers.

The requirements for managing change is analogous to sailing a ship. You require a captain at the helm and a source of power. Initiating and influencing the change programme demands the use of relevant power sources. I have found that early in the change process, managers experience a sense of powerlessness as evidenced by phrases such as "... what can I do?"; "...I am too low down to rock the boat"; "... Please talk to my boss, I'm not the one to decide!". This has serious repercussions for departments seeking to change. In my experience, this need not be so. There are many sources of power to be harnessed. In the early stages of change, role power, which is power through the position you hold and the associated authority, is required to initiate system-wide changes in the department.

During the change process, this is augmented by expert power, which is power from special knowledge which others need but do not possess. Thus, the need to develop expertise to manage and support the change process at all levels. The culmination of the change process should rely on reward power that is, power to reward financially and to promote and recognise. The use of rewards will inculcate a culture of achievement whereby organisation members can exploit their talents and creativity to the fullest. In the public sector, we have introduced the New Remuneration System where for individuals, merit work is rewarded, whilst organisations can compete for the various awards for excellence introduced over the last three years.

I am now even more convinced that some of the poor results that government departments produce cannot entirely be blamed on the staff, but instead on the organizational transformation in the public sector

now being undertaken include such major exercises as making modifications to the structure of ministries or departments so that they are less hierarchical and empower the front-line people. the hierarchical design of a department can make it vulnerable to parkinson's Law. This means the administrative and management requirement of the department grows steadily over time, regardless of what happens to the operating requirements. The government is currently undertaking two exercises simultaneously, namely downsizing or more accurately "right-sizing" the public service in order to cut waste and float in the public service, and a review of the functions and structure of some agencies.

Once of the absolutes of quality is that you cannot manage what you cannot measure. measurement tells you where you are and where you are going. I would like to quote Lord Kelvin: "When you can measure what you are speaking about, and express it in numbers, you know something about it, but when you cannot measure it, when you cannot express it in number, your knowledge is of a meagre and unsatisfactory kind: it may be the beginning of knowledge, but you have scarcely, in your thoughts, advanced to the stage of science". Under the New Remuneration System, the government has recognized more than 3320 positions as the elite and change managers in the government service. The government has introduced a new performance appraisal form which evaluates performance according to targets or goals set. The government has also decided that all statutory reports of government agencies will contain an explanation on performance indices. Government departments are famous for endless figures and forms and churning out statistical reports. But most of this counting is focussed on inputs: how much is spent, how many people are served, what services each person received. Very seldom does it focus on outcomes, on results. This is true in part because measuring results is so difficult. Measuring profit in business is fairly straightforward. Measuring results in government is not. Perhaps, as an outcome of this seminar, there should be a conference on the art of performance measurement which can include subjects such as the differences between measuring process and measuring results, between measuring efficiently and effectiveness, and between program outcomes and broader policy outcomes.

The Government has agreed to a Citizen's Charter for Government Agencies to facilitate dealings directly with the public. The main problem in the response system related to public complaints is that there are no norms concerning time standards in determining the output and services of government agencies.

It is very important for agencies and departments to determine their norms of the time standard for every activity in the form of Citizen's Charter. The Citizen's Charter is a written commitment of the respective Government Agencies towards services given to their clients. It is an agreement of the agencies to provide services according to the quality and standards that has been agreed upon. I will soon issued a Development Administration Circular on this new initiative.

Once again I would like to congratulate the three organisers for having successfully collaborated in organising this conference. This is a shining example of Malaysia Incorporated in action. There is nothing wrong in change if it is in the right direction to improve is to change, so to be perfect is to have changed often. On this note, I would like to officially close this National Conference On Organizational Transformation And Managing Change.