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Bismillahir Rahmanir Rahim.

Assalamualaikum Warahmatullah Wabarakatuh dan Salam Sejahtera.

Y.Bhg. Tan Sri-Tan Sri, Y.Bhg. Dato'-Dato',

Tuan-tuan dan Puan-puan yang saya hormati sekalian.

Terlebih dahulu saya ingin mengucapkan terima kasih kepada Y.Bhg. Tan Sri Datuk Samsuddin Osman, selaku Presiden Persatuan Perkhidmatan Tadbir dan Diplomatik (PPTD) yang telah sudi menjemput saya untuk memberi 'keynote address' kepada Persidangan Perdana pagi ini.

2. Sehubungan dengan ini saya ingin merakamkan ucapan tahniah kepada Persatuan Perkhidmatan Tadbir dan Diplomatik dan INTAN kerana telah berjaya menganjurkan siri persidangan seumpama ini bagi kali ke-4nya, iaitu "Persidangan Perkhidmatan Awam 1999." Tema yang dipilih bagi persidangan pagi, ini iaitu "Transforming Human Resource Management In Meeting The Challenges Of The Next Millennium" tepat dengan masanya kerana dalam beberapa bulan sahaja lagi kita akan memasuki abad baru di mana Perkhidmatan Awam dijangka akan menghadapi beberapa cabaran ekoran dari ledakan IT dan globalisasi sistem ekonomi, sosial dan politik antarabangsa. Tema persidangan ini bolehlah dianggap sebagai melengkap tema-tema bagi persidangan yang lepas yang secara amnya banyak menyentuh tentang peranan dan tanggungjawab Perkhidmatan Awam dalam persekitaran yang banyak berubah. Saya percaya bahawa rumusan yang akan dibuat di akhir persidangan ini dapat banyak membantu ke arah kecemerlangan Perkhidmatan Awam negara ini.

Tuan-tuan dan Puan-puan,

3. Izinkan saya meneruskan ucapan saya seterusnya dalam Bahasa Inggeris oleh kerana terdapat beberapa pembentang kertas dari luar negara. Ini ialah untuk membolehkan mereka juga turut serta dalam membicarakan isu-isu yang akan dibincangkan kelak.

Ladies and Gentlemen,

4. I feel very honoured to be invited to deliver the keynote address for the 4th National Conference on the Civil Service 1999, jointly organized by the Administrative and Diplomatic Service Association of Malaysia and INTAN. The theme of the Conference - Transforming Human Resource Management in Meeting the Challenges of the Next Millennium is indeed very relevant and timely, as the next millennium is just about 5 months away and the rapid technological changes especially in the field of information and communication technology is transforming the way we do things, the way we conduct business, in fact the whole way of life, at a rate that is frightening yet unstoppable. People by and large know about the benefits of ICT and yet feel uncertain about the how well they can cope with the changes. The challenge before all of us, both in the public service as well as in the private sector is how to convert those uncertainties, into real opportunities.

5. Many prominent futurists and management gurus have commonly agreed that in the coming millennium, information and knowledge is the most important and strategic capital. Tapscott (1995) called it "Digital Economy" while Toffler (1995) described it as the "Third Wave". Organizations that can manage efficiently and leverage on knowledge for their competitive advantage will be the successful organizations of the future.

6. New philosophies of management and organization structures have been proposed by management experts of the West. A variety of names and metaphors are used to describe the new organization forms,

such as Shamrocks by Charles Handy (1989), Jazz Combos by Max De Pree (1992), Learning Organizations by Peter Senge (1990) and Seamless or Boundaryless organizations by Jack Welch (1990). These new forms of organizations are markedly different from the present, which are based mainly on the Weberian type of bureaucratic organizations, in terms of managerial practices, work processes and work culture. Basic philosophy and principles guiding the present human resource management practices are certainly needed to be reviewed and reformulated to suit the new organization.

7. I am very confident that the Malaysian public service is able to face and overcome any challenge of the next millennium. The Malaysian public service has always been sensitive to its operating environment, both politically and economically. Numerous administrative reform measures have been undertaken since 1960s corresponding to the socio-economic development of the country as well as the changing national and global environment. These transformations reflect the changing roles of the public service, i.e. the preservation of law and order during the post-independent years, active participation in the development of the nations in the 70s and 80s and facilitating development of industries and trade in the 90s. The reform measures undertaken in the last decade focus on quality, productivity, information technology, elimination of bureaucratic red tape and organizational restructuring and rightsizing.

8. Recognizing the huge impact of the information technology on the performance of the public sector organization and its importance in shaping the competitive edge of a nation, massive public investments on IT related projects have been made in the 90s. The Multimedia Super Corridor (MSC) with its 7 flagship projects is designed for a quantum leap into the information age. Millions have been allocated for the implementation of electronic government, which is one of the flagships of the MSC. Under electronic government, one of the pilot projects is Human Resource Management Information System (HRMIS) with a price tag of RM 99 million. This project will enable all government employees to perform the HRM functions effectively and efficiently in an integrated environment.

9. However, to realize and to reap the full benefits of our huge investments in the physical infrastructure such as modern office equipment, information systems and other hardware, we need human talents to manage and to drive these infrastructure and hardware. Maybe we should take this opportunity to review as to whether our "humanware" is developed properly and managed optimally. Are they prepared to face the challenges of the future? Have we created a conducive environment to unleash their full potential for the benefits of the organization and the public service? These are some of the pertinent questions that need to be addressed so as to ensure that our huge investments in hardware are not wasted.

10. In this regard, a programme to change our human resource management practices, if implemented on a piece-meal basis, may not be adequate to fulfil the needs of the next millennium. We need to rethink, and reengineer the present human resource management practices. These practices have been developed for the use of paper-based, top-down pyramidal structured, control and procedure-oriented organizations, with a segmented way of providing goods and services. Thus, despite the numerous administrative reforms, there are still some lingering unhealthy management practices that exist in the public service which need to be weeded out, as we enter the next millennium.

11. In our efforts to transform public sector human resource management, we have to anticipate what the emerging phenomena and driving forces are and their impact on the organization. The common phenomena often quoted are rapid changes in technology in the areas of information, computer and telecommunication (ICT); rising customer demands; increasing stakeholder expectations; globalization of trade and services; information explosion and decreasing economic resources. Despite the emerging phenomena and current changes, the services of public sector agencies are still very much needed. There are still goods and services such as national security, enforcement of laws and regulations, environmental protection etc., which only the public sector can provide. In the United States, where free market system is supposed to be practised to the fullest, there have been occasions when the market had failed and the government was forced to step in to ensure public goods were delivered and public interests protected.

12. In Malaysia, we practise parliamentary democracy and the authorities of the executive, legislative and

judiciary are explicitly defined in the Federal Constitution. Under the present political system, the civil service must strictly adhere to the principles of neutrality and impartiality by serving the government of the day in a dedicated and loyal manner. The civil servants are required to discharge their duties by implementing the policies of the government diligently, irrespective of their personal preferences and judgements. This has been the cornerstone of the tradition of public service neutrality and must be upheld as long as the present political system is continued. In the same vein, civil servants must adhere to their professional code of ethics, by providing objective advice and opinions to the government, backed by sound technical and economic analyses based on valid data and information.

13. I understand that competency models have been developed and implemented by the public services of Australia, Canada and the United Kingdom. It is heartening to note that efforts are being made to develop a competency model for the Malaysian public service. A properly developed set of competencies that relate to the existing and future environment will establish a basis for recruitment, design training and development plans as well as develop career paths. A competency model can also be used as a basis for performance appraisal and feedback and for developing a performance-based culture in the organizations.

14. Apart from the broad areas of conceptual, technical and interpersonal skills commonly mentioned in management literature, the other extremely important competencies for the civil servants to develop and master would be in the areas of strategic thinking and strategic management, effective leadership skills, negotiation and crisis management. These skills are particularly important for public servants to function effectively in the next millennium. Recent geo-political developments in the unipolar world are a reflection of more uncertainties and chaos to come in the future. The East Asia economic turmoil indicates how vulnerable the world economic and financial systems can be in the hands of currency speculators.

15. I believe the present close relationship and understanding between the political leadership and the public sector of the country will continue into the next millennium. However, to maintain their relevance and influence in the policy making process, civil servants have to be knowledgeable in their areas of responsibility. A new breed of knowledge workers anchoring on core competencies is required in the public service of tomorrow.

16. In short, the public service of Malaysia should have the necessary foresight, expertise and skills to combat and overcome crisis. However, it would be even better if we can nip the crisis at its bud. For this, the importance of acquiring knowledge, which is current and relevant to the job functions, need not be further elaborated. I would like to see the skill areas mentioned earlier to be developed and acquired by all members of the Malaysian civil service, particularly officers of the Administrative and Diplomatic Service.

This is to ensure that we continue to be entrusted with a leading role in managing and developing the nation in the next millennium. The other related issue on competency development is the requirement for all members of the Malaysian civil service to be multi-skilled. For example, many tasks that were previously done by subordinates, such as typing and dictation of letters and reports are now undertaken by the officers themselves. This is a result of internal restructuring and the process of rightsizing in the Malaysian public service. With increasingly tight resource constraints in the future, civil servants of Malaysia are expected to achieve more with less. They are required to be skilled in word processing and have the ability to handle modern IT equipment in the office.

17. Public sector organizations have an important role to play in promoting learning and acquisition of knowledge by their workers. Efforts should be taken to create a "knowledge-friendly" culture and environment conducive for continuous learning. Knowledge management should be given priority so that an organization has the proper mechanism to generate, capture, distribute and apply knowledge in the implementation of their tasks. It has been proven that organizations that are knowledge-based are more innovative, more responsive to customer needs, increase productivity and enhance competency of the people in the organizations.

18. The scenario I have just outlined requires rethinking in the management of human resource in the

public sector. Public sector employees need to have a detailed training and development plan throughout their career in the public service to ensure that they acquire core competencies and skills concomitant with the jobs they do.

19. The globalization of world economy in the areas of trade, finance, labour and technology has tremendous impact on an open economy like Malaysia. The effects of globalization will be even stronger in the coming millennium. It is my belief that collaboration between public, private sector and non-governmental organizations has to be strengthened to enable Malaysia to forge ahead in an increasingly competitive global marketplace.

20. Through the policy of Malaysia Incorporated, there have been exchanges of ideas and close interactions between the public and the private sectors of Malaysia. This smart partnership has resulted in the private sector becoming the engine of growth, contributing to the rapid growth of the country. There are also programmes initiated by multinational companies for government officers to be attached to their organizations for short durations. Though these are noteworthy efforts in bridging the gap and forging closer ties between the two sectors, more intense efforts in this direction are needed for the benefit of the nation.

21. To further promote good governance in Malaysia, I suggest that the public service also forge strong partnership with creditable NGOs in the country. A cross-fertilization of ideas between the three sectors should be further encouraged. Apart from having continuous interactions and meeting through the Malaysia Incorporated Panels, maybe it is time for us to consider an exchange of officers and executives between the public and private sectors for a fixed duration. This ensures a better understanding between the sectors and facilitates the use of best practices of both sides. Though this proposal may sound radical, I would like the human resource managers from both the public and private sectors of this conference to deliberate on this. The bottom line is that the CEOs and senior officers of the public sector agencies should provide a leadership that is dynamic enough to face the challenges of the next millennium.

Ladies and Gentlemen,

22. Outsourcing services from external suppliers have been widely practised by the private sector companies for sometime, especially the big multinational companies. In the public sector, certain repair and maintenance jobs are being done by the private companies, either by contract or on an on-call basis.

These outsourcing practices should be encouraged and further expanded to cover all job functions that are of low or no value added to the core business of the organizations. By allowing the outside parties who have the experience and expertise to perform the menial and routine jobs, we are giving our staff the time and energy to focus on their main functions and core businesses. The outsourcing of services will also help to overcome the tight constraints on human resources faced by the public service.

23. In this connection, I believe that there are many services and functions that can be performed by the non-profit and non-political NGOs. In fact, the governance of the future should be based on the smart partnership of the public sector, the private sector and the community interest sector, represented by the respective NGOs. By collaborating with the relevant NGOs, services to the public can be done more efficiently and at a lesser cost to the government by using the voluntary but dedicated workers of the NGOs.

This is a classic example of creating a win-win partnership between the two sectors. However, as a word of caution, it is important to ensure that the relationship is not exploited and abused for personal gains of the individuals or any interest group.

24. If the public service is to stay relevant and be respected in the coming millennium, it needs not just competent bureaucrats, but more effective managers who are innovative and competent in managing shrinking resources to achieve maximum outputs. To achieve this, the public service needs to be able to attract the best talents available in the country, to develop them and to retain them for the benefits of the

service. Obviously, the system of recruitment, compensations and recognition, training and development, career advancement and other management practices related to human resource management need to be reviewed and reformulated for the purpose of attracting and retaining the best.

25. It was also found that to retain the best, the collective leadership of the organization must be perceived by its employees as creditable in the following six dimensions: Conviction, Character, Care, Courage, Composure and Competence (Bornstein and Smith). Reputable organizations such as McKinsey, Microsoft Corporation, the Walt Disney Company and others are sought out by the best in the industry.

These organizations are seen as creditable organizations in their respective fields. They are known for their competence at what they do. These are organizations with integrity, are value-driven, professional and totally committed to excellence. These organizations care for their employees, their clients, their customers and their communities. Likewise, the public sector organizations should retain the best people by ensuring that their employees are well taken care and moulded with the proper organizational values and ethics. It is the responsibility of top leadership in the public sector to ensure that their organizations are perceived to be creditable by their employees. In our quest to attract and retain the best, we should not compromise on integrity, honesty and accountability.

Without integrity and accountability, I am very sure that members of the public, the stakeholders and the customers of the public sector agencies will not be properly served. Their needs will not be attended to, their grievances will not be heard and resources will be unfairly distributed. Consequently, these deficiencies will cause huge losses to society and nation.

26. I have outlined some of my thoughts on the roles of the Malaysian public service in the next millennium.

I have discussed some broad principles, which I think are important and relevant for the public sector to consider in the development of human resource management practices of the future. I believe this conference will identify appropriate strategies and action plans to prepare the public service to meet future challenges of the next millennium. We hope to benefit from your deliberations.

Ladies and Gentlemen,

27. This morning, I would also like to take the opportunity to launch a Development Administration Circular entitled "Guideline on Implementing Benchmarking in the Civil Service". The Development Administration Circular is a series of circulars introduced by the Public Service since 1991. The Circulars contain guidelines aimed at assisting Government agencies to implement various quality improvement programs. To date a total of 22 such circulars have been issued. The various programs implemented through these circulars include Total Quality Management, Client's Charter, Quality Control Circulars, and ISO 9000. Even though various programs have been implemented aimed at improving the quality of services provided to the public, the Government is of the opinion that there is no end to quality improvement efforts. Such efforts have to be continuously carried out to adapt to the ever-changing environment. It is with this belief that the Government is issuing a new circular today with the hope of further strengthening such efforts.

28. Benchmarking is a systematic and continuous process of identifying, learning, adapting and implementing best practices from the same organisation or from other organisations in order to achieve excellence. An implementing agency needs to identify a benchmarking partner either from another division of the same agency or from another agency having the best practice in a particular product, service or process.

Upon identification, the implementation agency thus need to learn from the partner, identify the existing gap and implement the best practice in order to close up the gap. In this case the implementation agency could ultimately even become better than their benchmarking partner. The whole process will create a situation where good becomes better and better becomes best and we become the best of the best.

Thus, the whole public service will be one that is improving all the time and will achieve a world class status.

29. As quoted by Marion Harmon in the Quality Digest, benchmarking is "The practice of being humble enough to admit that someone else is better at something and being wide enough to try to learn how to match and even surpass him at it". Head of Government agencies must try to adopt this philosophy and much will be gained from it. They should benchmark their products, services or processes against others that are better and must aggressively seek new methods and processes to adapt to the changing environment.

30. Here I would like to stress that heads of agencies must take the initiative to find these "best practices". The circular has provided some guidelines on the method of identifying these "best practices".

As a start, heads of agencies can look around and benchmark against those that have won the numerous quality awards given by the Government since 1990. Let us all learn from one another, as there is nothing to lose by doing so.

Tuan-tuan dan Puan-puan sekalian,

31. Akhir kata saya berharap tuan-tuan dan puan-puan akan memberi perhatian dan seterusnya membuat cadangan- cadangan yang bernas terhadap perkara-perkara yang telah saya bangkitkan dalam ucapan saya ini. Saya percaya dengan pengalaman dan kepakaran yang tuan-tuan dan puan-puan ada, perkara ini dapat dilaksanakan.

32. Dengan lafaz Bismillahir-rahmanir-rahim, saya dengan sukacitanya merasmikan Persidangan Perkhidmatan Awam bagi tahun 1999. Selamat Bersidang, Terima kasih.