

Malaysian Civil Service; Problems And Challenges

Ahmad Faiz Yaakob

Universiti Teknologi MARA (UiTMT), Faculty of Administrative Science & Policy Studies
23000 Dungun, Terengganu, Malaysia

Tel: +60122276859 Fax: 098403777 Email: faiziu@yahoo.com

Asri Salleh

Universiti Teknologi MARA (UiTMT), Faculty of Administrative Science & Policy Studies
23000 Dungun, Terengganu, Malaysia

Tel: +60163370740 Fax: +6098403777 Email: asrisalleh07@gmail.com

Kamaruzaman Jusoff (Corresponding author)

Universiti Putra Malaysia, 43400 Serdang, Selangor, Malaysia

Tel: +60192279507 Fax: +60389432514 Email: kjusoff@yahoo.com

Mohammad Khairul Anwar Hussain

Universiti Teknologi MARA (UiTMT), Faculty of Business Management
23000 Dungun, Terengganu, Malaysia

Tel: +60192112588 Fax: +6098403777 Email: karlanwar@gmail.com

Abstract

The Malaysian civil service for so long has maintained the tradition of being politically neutral. However, maintaining impartiality throughout is relatively difficult especially when a ruling political party has been at the helm of political power for a very long time. In other words, it is not easy to break the close relationship the Malaysian politicians and the government's senior officers have built as a result of the ruling political party's uninterrupted years in power since the country's independence in 1957. The objective of this paper is to analyze the capacity and the professionalism of the Malaysian civil service, particularly the Malaysian senior civil servants. The paper argues, among factors that have the inherent possibility and aptitude to compromise the capacity and professionalism of the top management are; (i) political executive dominance, (ii) 'ethnicized civil service' and (iii) new mechanism of public governance.

Keywords: Malaysian civil service, professionalism, senior public servants, new governance

1.0 Introduction

Looking at the structure of today's Malaysian government, it is sensible to assume that its policy-making is no longer treated as the politicians' exclusive domain because the bureaucrats also have their own room to operate in public policy making process i.e. through the given discretionary power. Senior public servants do not only perform routine duties. Equipped with a high creativity talent, they make their choices of decisions based on readily available courses of actions or policies. At present, Malaysian political leaders, to an extent, tend to be 'very generous' when it comes to delegating power to senior public servants (Milne 1967). It needs to be stressed, however, that this situation clearly falls within the domain of the country's federal

constitution, designed as such under the assumption that democracy runs in its purest form provided that the government of the day does not misuse its position and/or the public agencies to exert illegal or immoral type of pressures onto democratic forces running within the system in order to, for example, suppress dissension. Ideally, civil servants should be the protector of the people from being abused by the ruling government. This is where the true purpose of civil servants lies, that is to provide the necessary expertise and professional advice in which any act of breach or incompliance, if any, can be declared as illegal by the court of law (Abdul Aziz 2006: 131).

However, such a generosity had so greatly overshadowed the boundary of power between politics and administration. It is difficult to tell if one is a politician or a civil servant. In addition to that, granting absolute discretion could also lead to ethical dilemma, especially when it is made based on personal tendency, sympathy for one particular party or even greed which would then lead to all facts and rationality being ruled out completely (Ayee 1998)¹⁰. Invariably, such a peculiar tendency tends to come about when a political party has been in power for so long that it has become so difficult to tell the differences between a politician and a civil servant. There seems to be an extreme closeness between the ruling politicians with the senior civil servants. Looking on from another perspective, one can find instances where the senior civil servants are the ones attempting to get as close as possible with the ruling political party members, hoping to get something in return such as being appointed to senior posts within the service. Pierre (1995: 3) writes:

“On the one hand we see policy-makers using administrative reform to displace accountability for public policy; on the other hand we see the very same policy-makers trying to increase their control over bureaucracy. Whilst this appears to be two inconsistent developments, they may in fact reflect a general desire among elected politicians to increase over bureaucracy while at the same time avoiding responsibility for the bureaucrats’ action.”

There exist a number of paradoxes or anomalies relating to senior public servants' discretionary power with that of political control in which both of these elite political and bureaucratic forces mutually taking advantages of their own powers, and thereby, avoiding the bureaucracy's basic responsibility i.e. to serve the people. This paper will provide an in-depth discussion of several factors that compromise professionalism and the capacity of the civil servants. A succinct overview of the civil service background shall precede the discussion.

2.0 The Background of Malaysian Civil Service; An Overview

For over than 50 years after independence, the country has gone through its democratic processes by translating the people's mandate given to the politicians into political and social objectives. Even though the current government has won the people's mandate and as such holds the executive power, it is the civil service which, in actuality runs the government's businesses and routines. Today, Malaysia's civil service has more than a million staffs on its payroll. For a country with 28 million populations, the huge numbers of the civil servants speak a volume of

¹⁰ It is also considered as the *abuse of discretion* following the failure to consider facts and laws related with arbitrary process or deviate from precedent or court practice (West Encyclopaedia of American Law 2009), also treated as bribery (Kernaghan 1980; Henekon 1986). On this basis, professionalism is the way it is promoted by Weber (1947).

considerable strength and influence. The public service is headed by the Chief Secretary to the Government (KSN). The KSN heads a hierarchy comprising a premier group, a professional and management group and two groups of support staff. Within the premier, professional and management group, a prominent role is played by the Malaysian Administrative and Diplomatic Officers (*Pegawai Tadbir dan Diplomatik*). The premier group are the top management, currently numbers at 1898 (0.14%), serving in the Federal Government service while a small numbers of them are seconded to State Governments (JPA 2005). They are the high ranking officers who are very influential with powers to make and determine ideas related to public policy¹¹.

As a parliamentary democratic country, the role of public service is to provide expertise and for that reason, it needs to be partial and neutral in its governance (Abdul Aziz 2003). Thus, the Federal Constitution outlines several clauses to protect the civil servants. The purpose, among others, is to maintain and defend the service's professionalism so that the civil servants will be able to serve their duties proficiently. Among the provisions are:

- i- Article 144 – the formation of Special Commission responsible for matters relating to appointment, promotion, discipline and dismissal;
- ii- Article 136 – assurance of all civil servants receiving fair treatment regardless of ethnicity; and
- iii- Article 135 – enjoying the guarantee of service term; and impediment to dismissal and demotion; as well as the opportunity to self-defend upon legal conviction (Abdul Aziz & Farid Suffian 2004).

Moreover, the rule of the General Order based on Act 132 (2) mentions that top management and professional group are not allowed to be involved in political activities. Nevertheless, this rule does not prevent these officers from joining political parties as ordinary members provided that they have informed beforehand their respective departmental heads as such. This is in line with Article 10 in the federal constitution which informs about the right of association (Abdul Aziz 2006). Pursuant to that, the constitution sets out clear guidelines in order to keep civil servants, especially the administrators, from being involved in partisan politics.

3.0 Factors Undermining Professionalism And Capacity Of The Malaysian Senior Civil Servants

3.1 Domination of the Political Executive

In the past, the civil service used to recruit its staff based on the criteria of merit, fairness and openness. Aside from the Westminster factor inherited from the colonial administration that stressed much upon political impartiality freedom, the 'newly formed' government has put more emphasis on security issue and the people's development. Back then, generally, it was common for the government to empower politicians to draft and make national policy while the civil servants are given the responsibility to execute it. Corruption was almost unheard of at that time as the civil servants were known to be very committed and transparent in discharging their duties.

Nevertheless, in 1998, the Malaysian civil service's good faith reputation was faced with first major test following the sacking of the incumbent Deputy Prime Minister, Dato' Seri Anwar Ibrahim from the government cabinet (Abdullah Sanusi et al 2003). As a result of the incident, a number of civil servants were arrested for joining several illegal gatherings which opposed the

¹¹ This category may include the The Chief Secretary to the Government (KSN), the Secretaries General Ministry (KSU), State Secretary (SUK) and so forth.

sacking. There were suspicions that a number of the public agencies, including some government-owned banks did leak out some official documents while a number of civil servants rebelled against the ruling government even while carrying out their official duties. Not only did this event lead some politicians setting up their own separate political parties, for example, *Parti Keadilan Nasional* (People's Justice Party), it also shook the very foundation of the civil servants' belief in the political system. In the national 1999 election, held soon after the sacking of Anwar Ibrahim, as many as 650,000 civil servants voted for the opposition (Abdullah Sanusi et al 2003).

The second major test came in 2008 election, after which the status quo of four state governments in the Malaysia peninsular were taken over by the opposition pact, hitherto known as *Pakatan Rakyat* (the People's Coalition). One of the most notable differences, as far as the state's civil service is concerned, the policy makers of the state governments of Selangor, Pulau Pinang, Kedah and Perak were no longer from the ruling *Barisan Nasional* (National Front Party) but the *Pakatan Rakyat* of which member parties included the People's Justice Party (PKR), Democratic Action Party (DAP) and Pan-Malaysian Islamic Party (PAS).

As much as there were civil servants whose professionalism remained unchanged by the change in the state's administration, there also existed civil servants whose loyalty remained with the previous BN state governments. As the loyalty divide of the civil servants began to appear more visible, so were problems in the administration ranks. Following the change in state governments in the four states, the commotion during the State Assembly of Perak (now under BN government due to political defections two years after the 2008 election) - allegedly conspired by the state secretary and a member of the Malaysian Royal Police Force - was proof of an unusually extreme loyalty sentiments of which unfortunately, was not something new.

Interference on the basis of arbitration is also very obvious other state, for instance in Sabah, whereby senior officers were often transferred every time such a change in the state leadership occurred. When Terengganu State Government of UMNO (United Malays National Organization), a founding member of BN was replaced by that of PAS in 1999 General Election, it was reported that some state secretaries and several other senior officers were forced to retire early.

Fundamentally, this condition was perpetuated by the existence of strong separation of power between the state governments with Public Service Commission (SPA) which runs the civil service (Abdullah et al 2003). Furthermore, it needs to be stressed that civil servants do not have to pledge loyalty to the ruling government. They only need to execute or carry out any orders which do not contradict the constitution. Civil servants have to be loyal to the country, not the government (Abdul Aziz 2009).

Undeniably, power is the essence of an effective government. It all began after the introduction of New Economic Policy (NEP)¹² sprang out of 1969 ethnic riot. The leadership at that time was in dire need of an extremely strong, overarching and powerful government (Lim 2002). At that time, the ruling trend has taken the turn into strong inclination for authoritarian or loyalty to the

¹² The NEP was an ambitious policy aimed at eradicating poverty and restructuring the society. Although the NEP was hailed in some quarters as having reduced the socioeconomic disparity between the Chinese minority and Malay majority, others accused it of having reduced non-Malays to the status of second-class citizens by cementing *ketuanan Melayu* (Malay supremacy). The NEP is often invoked as part of the Malay Agenda, which is in turn part of the Malaysian social contract granting Malays special rights in return for citizenship for non-Malays.

ruling government¹³. If such domination continues consistently, it is feared that the power of the politicians will eventually override that of the government agencies such as the Parliament, amend constitution, limit the power of the court of law, power of *Agong*, the constitutional monarch and even remove the related restrictions enshrined in the constitution (Lim 2002). Along with the ‘fall of the institution’, it also brought down many other things with it including the bureaucrats. Therefore, UMNO’s approach of civil service administration only circled around and only on ‘committed’ civil servants whose loyalty is nothing but guaranteed when it comes to implementing the law and executing the party’s policy. Various strategies have been adopted in order to increase the party’s grip of control over the civil servants to ensure their undivided loyalty and compliance. Among strategies adopted are favourable tender allocation, divide and rule policy of the opposition, selective prosecution of the opposition and an obscure police force that do their ominous bidding.

The appointment of political secretary to ‘advise and monitor’ civil servants as well as the appointment of a number of the government’s senior civil servants, based on the party’s recommendation, were made on the wrong grounds. The reason is that, this approach plays a vital role in reshaping the bureaucrats’ neutrality into that of more ‘committed’ ones. Political influence over the civil service process of appointment, especially for the high ranking senior posts have become ever more rampant. This practice seems to suggest that the authority is the only one who possesses the absolute power to authorize and appoint officers in the expense of the long established rules and standard code of practise. In other words, this also seems to present a scenario to the general masses that patronage is a common practice in the civil service.

For example, more often than not, for the post of KSN, the eventual holder has always been picked out from a number of shortlisted directors of civil service, only absent in the case Halim and Tan Sri Sallehuddin Mohamed, the country’s KSNs preceding Tan Sri Ahmad Sarji (Abdul Aziz 2006: 133). Beside the appointment issue, the other issue that demands a much closer look is the manner with which the service termination of the senior civil servants takes place. Some of them will accept normal transfer orders; some are put into ‘cold storage’ while some will have their retirement extended. Despite these being allowed by the service’s rules and regulations, they also could run counter against the supposedly neutral position and role of the civil service because the civil servants will tend to feel indebted and therefore will do anything and everything the politicians ask them to in return for the given favours.

In policy implementation, for example in tender allocation, the role of political influences was noticeably present. When Tun Daim Zainudin took over as the Minister of Finance (MOF), the bidding process for huge projects was revised. Under him, MOF now had total control over big projects, previously handled by the Ministry of Public Works (JKR). In some of these projects, there was no tender process taking place. Instead, MOF took up direct negotiation method with several contractors and suppliers. It was not uncommon to see that the civil servants would then just oblige the ministers’ orders and their political secretaries. Meanwhile, the Minister Secretary (KSU) and other heads of departments were but the extension of the minister’s team, as if projecting an image, among others, that the government would never change.

KSU’s discretionary power is equally important and is one of the contributing factors to the very same problem. It needs to be highlighted here that the government’s funds are channelled to the heads of departments through allocation warrant for which politicians cannot utilize without

¹³ It is worth mentioning that the major problem does not lie with the government domination or the influential bureaucrats but the political executive domination.

getting prior approval from the former. However, in order to be in the ‘safe zone’, civil servants would rather go about doing their duty, to the tune of the concerned politicians and subsequently, gladly implement what has been decided by the latter. They prefer not to be in loggerheads with the politicians. In other words, they are more than willing to be participants of the politics of patronage. A few KSUs greatly benefitted from such political patronage and they retired from the service having amassed more wealth and fortune than what they normally do. A number of them were also involved in businesses, taken up as a token, for the various favours they extended to the politicians while they were still the KSUs.

3.2 ‘Ethnicized Civil Service’

Reflecting the strong domination of Malay ethnic of the Malaysian civil service, Means writes:

“through the operation of Malay ‘special rights’ giving recruitment and promotion preferences to Malays, the whole structure of government services has become a bastion of Malay power and the major avenue for Malay professional and economic advancement. This pattern is particularly pronounced at the higher administrative and policy-making levels where Malay dominance comes closer to reality (Means 1991: 297-298).

Such a tendency is deeply rooted in the history of the country especially since the British colonial days. And it still prevails in most of the country’s policy until today. When Malaya gained its independence, taking into account the racial backgrounds in the service, the policy of ‘Malayanised civil service’ was immediately put into full swing so as to increase substantially the number of Malays as well as to reduce the expatriates. This policy has been pursued so aggressively that, as of today, Malays participation in the service far outnumbers those of the other ethnics. With the exception in certain professional and expert services such as medicine, legal, judiciary and public works, the big gap is especially obvious in top management level. However, this policy is still justifiable since it has its root in Article 153 of the federal constitution which states about the “special privileges” of the Malays and Bumiputra (the indigenous people of the Malay Archipelago) of which main purpose, among others, is to alleviate the levels of education of the Bumiputra poor so that they can equal the other ethnics’. In other words, the constitution allows for the application of quota system in anything including positions in the civil service. It all boils down to the quota system and therefore, the justification for increasing the number of Malays in the civil service.

However, the problem did not lie in the quota system but the way the quota system was exercised and this scenario was made even more obvious in the post-NEP (New Economic Policy 1970-1990) implementation where the numbers of non-Bumiputra officers decreased considerably (Means 1986). According to SPA (Civil Service Commission 2003), there were 29.7 % Chinese civil servants in 1980, which went down to 8.2% in 2003, while the numbers of the Indians dwindled from 9.8% in 1980 to 5.2% in 2003. According to SPA, the leading cause was that, after independence, many of the positions of the retired non-Bumiputra civil servants were left vacant (Lim 2002). At present, 91% of the workforce in the civil servants is of Malay ethnic and this is tantamount to creating difficulties and challenges in the future, especially to the policy makers who are political leaders and senior officers in the run (Rais 2006). In fact, the concern over the un-representative nature of the country’s bureaucracy will continue to be a factor so integral in the policy making process as well civil service in general. In a research on relationship of the factors influencing perception and the role of top management with the

minority group it represented, Selden (1997) found that ethnic factor was a factor that played a key role in determining whether the administrator would perceive his/her role as an advocate of a representative of minority interests. In another research, Ahmad Marthada (2004) also found that administrators working with the minority ethnic in any given public service department was less active in advocating their orientation as the representatives of their own ethnics.

Notwithstanding Article 153 provision in the federal constitution, the rise of a Malay dominated civil service has inevitably generated concerns with regard to the legality and the level of the bureaucrats' responsibility (Lim 2003: 16-24). Lim's concerns were not new. As a matter of fact, Ho (1999: 26-29), also voiced his concern about the bureaucrats accountability. These represent some of the serious issues that never cease to generate interests of the academia world in any discourse over civil service, especially when it comes to the inescapable racial consideration in the context of Malaysia.

In spite of the Malay bureaucrats previously being highly decorated in recognition of their top level of professionalism, if the current disappointing performance and quality of the civil service is taken into account, such a positive perception does not seem to augur well with the present society. Among the contributing factors are ethnic-based consideration for appointment and promotion within the service. It is feared that such will have an adverse effect to the service especially when the less than qualified Malay officers being favoured more than the qualified non-Malay ones (Khoo 2005: 29). Also, at the expense of efficiency and effectiveness, the bureaucracy so dominated by the Malay ethnic will unwittingly leave a serious impact onto the country's multi-ethnics society, that is, in terms of unequal treatment and distribution of benefits to the unrepresented ethnics (Lim 2002). Despite the absence of any empirical study on this subject, it is not something unusual to hear about grousing, complaints and grumbles coming from the non-Bumiputra ethnics with regards to the unfair treatment they receive from the Malay-dominated civil service. Some of the cases involving the police force ill-treatment against the non-Malay inmates, Malay School Headmasters not sensitive to non-Malay pupils' needs, lax poverty eradication program especially among the Indians and many others (Lim 2002).

Moreover, a highly unrepresentative bureaucracy has the potential to create severe negative implications; not only will it run counter against efforts to strengthen national unity but also against the popular support for the government itself. The former Malaysian fourth Prime Minister, (Tun) Dr. Mahathir acknowledged that the need was even more urgent for a 'sufficiently representative bureaucracy' as opposed to 'a fully representative bureaucracy' to promote national unity. In a newspaper interview, Mahathir was quoted as saying:

*"The Government wants an increase in non-Bumiputra representation in the civil service to promote national unity. Prime Minister Datuk Seri Dr. Mahathir Mohamad said today there was a need to ensure all races were sufficiently represented in all levels in the service. "We are a bit worried that there are not too many non-Malays – that is Chinese and Indians – in the government service".
... Fair representation of the races should not only be restricted to government service. It should be reflected in the private sector as well" (NST 20 Mei 2001).*

It is very unfortunate that after decades of NEP implementation, in terms of ownership and employment in the private sector, the Malays are still lagging far behind as opposed to the Chinese and Indian. This, in fact, is instrumental behind the Malays' objection against representative bureaucracy in the civil service. Notwithstanding the validity of the Malays'

concern, the practice of ‘Malays first’ policy and their over-representation in bureaucracy still need to be reviewed. Lim (2002: 45), however, argues that a sufficiently representative bureaucracy in which the Malays command no less than 2/3 majority in every sector of the civil service is more accurate compared to a fully representative bureaucracy in the context of Malaysia. In the long term, when the Malays employment figures increase substantially in the private sector, the non-Malays participation in bureaucracy will subsequently follow suit. This will turn both sectors into a balanced or closed representative, making it fully suited to a multi-ethnic society composition. (Lim 2002: 46).

Still, Mohd Azmi Abdul Hamid (2006), the President of TERAS that represents all Malays non-governmental organizations (NGO) cautioned that any attempt to review ethnic composition needed to be carried out carefully, fairly and comprehensively. Besides, although the public sector is dominated by the Malays, other aspects also need to be considered thoroughly. The Bumiputra ratio in professional category (not including teachers, lecturers, writers and artists) was at 47.5 % in 2005 as opposed to 77.6% of the Chinese and 69.2% of the Indian. Bumiputra ratio of accountants in 2005 was 20.8 %, the Chinese 73.6% while the Indian 4.4% (Malaysiakini 30/9/2006). Such a big gap between the ethnics is also visible in commercial buildings ownership, poverty incidence, and household income average and equity ownership. These obviously indicate that the Malays command of the economy is far below than that of the non-Malays. Mohd Azmi, however, also called certain parties not prioritize an ethnic over other ethnics in any public policy. He argued that would be tantamount to unfairness and injustice. Mohd Azmi asserted:

“(I)s it justifiable if we decide to forego a certain pro-ethnic policy for an open market policy in the globalization agenda that falls beyond our control?”

“..the question is not us debating the issue over figures being the reasons why a policy should be changed or not, however it is about unfair distribution of the country’s wealth among the ethnic composition which will create unhealthy situations in social as well as political aspects ...”

“..hiding behind a research in order to propose suggested policies that for certain is in favour of an already strong minority will bring about injustice which will consequently lead to instability...”

“The fact that matters is that we should not fall into the trap of debates over NEP achievement only in terms of figures and numbers. We, on the other hand, should see that inter-ethnic economic distribution matters as much for intra-ethnic. As the implication resulting from ethnic gap in equity ownership is just as important to help protect social and political stability, the same can be said of the intra-ethnic divide (Malaysiakini 30/9/2006).

With regard to this ethnic issue, despite the fact that the country is enjoying its political stability, the ethnic identity has become reinforced to the extent that neutrality of bureaucracy and its accountability to all ethnic groups is questionable (Gonzales & Mendoza 2002; Haque 2007). This has also been a political issue that seems never cease to exist and as such needs to be treated carefully. One of the sensible approaches to dealing with the issue is to see it through non-political paradigm i.e. by determining the source of the problem and not the symptom.

4.0 New Mechanisms of Public Governance

Inspired by the neo-liberal economy school, New Public Management (NPM) is generating enough force to begin to be seen as a powerful force capable to set off rapid and unprecedented changes in the civil service in both the developed countries and the developing ones. It has been referred to as managerialism, market-based public administration and result-based management (Pollitt 1990; Hood 1991). NPM can simply be understood as the application of the values and principles of the private sector and business philosophy in the public sector with the major purpose of improving the latter's efficiency, effectiveness and performance. The values include managerialism, downsizing, decentralization, cost-saving, de-bureaucratization, competition and privatization (Hood 1991; Pollitt 2003). The application of NPM serves as an indication that good governance has to do with more flexible public service management made to be oriented towards producing results and disengaging from traditional administration method based on tedious legal and process system. Nonetheless, the extent with which NPM's objective can be truly realized remains a questionable end. Today's world fierce competition among capitalist to secure profits has resulted in hardship for people the world over. Why then, one would ask, Malaysia still wish to dance according to the neo-liberal's tune?

Malaysia, since a few decades ago, has witnessed several reforms introduced and applied into a multitude of its civil service bureaucratic and management aspects. Among the reforms were restructuring, privatising and corporatizing several public agencies, quality based management and reviewing civil servants system and financial management (read Common 2001: 177-180). The restructuring exercise of the public agencies, otherwise known as downsizing, was first put into practice in mid 1980s. It was called as 'the new shift of paradigm' from which the government had transformed its traditional role of being the main service provider into being the facilitator. As a result, a number of courses of actions were pursued in order to downsize the size of the civil service. This included termination of new posts, doing away with vacant posts in non-critical fields, integration of state services with those of the federal, privatization of public enterprises and establishment of regulatory bodies to supervise and monitor the privatization process (Ahmad Sarji 1996).

Privatization, among all the reforms, was the most significant one. It had greatly helped to spawn the most noticeable and encouraging impacts to the government restructuring exercise. Through the creation of monopoly system, its main objective was to ease the government payroll and administrative loads by compressing the government networks of services and reducing the size and the presence of public services. These steps had as well served to broaden the privatization's concept and scope. Overall, other than succeeding in downsizing bureaucracy, privatization also managed to save RM130 billion of the government's coffers (the cost of operational and model expenses) (Siddiquee 2006). In spite of the positive impacts, privatization was still far from being the ultimate solution. It too came with its own flaws. One of them was the issue of public accountability. Malaysia was not the only country suffering from the flaws. The similar shortcomings also affected many other countries, including the developed ones such as New Zealand through its Quangos exercise¹⁴. Gregory (2004: 160) states:

¹⁴ The term 'quangos' is an acronym of *quasi-autonomous nongovernmental organizations used to refer to public agencies responsible to develop, manage and execute public policy under the supervision of an appointed individuals, not through voting or board members* (Dubois & Contandriopoulos 2007: 781)

“...the reforms also sought to enhance the operating autonomy of public executives, particularly those in so-called ‘crown entities’ (essentially parastatal ‘quangos’), which are not part of the Public Service, but which are single-purpose agencies administering a wide range of regulatory, quasi-judicial, service delivery and commercial functions. Many of these functions were previously administered within Public Service departments, so their ‘hiving off’ to crown entities whose government boards are appointed by the political executive has widened the potential scope for what many might see as ‘politicization’ in New Zealand government administration.”

Privatization is not the only guilty party. Fundamentally, the problem had already begun even before privatization program was launched. As a matter of fact, the nucleus of the problem was created the moment the Malaysian government set up of a number of corporatized bodies in the 1970s to facilitate and speed up the implementation of NEP programs. The problem came from the status of the corporate bodies’ employees for whom the country’s constitution did not consider as part of the civil service force despite their functional similarities with those of the other civil service agencies (Abdul Aziz Bari 2003: 80). These bodies were disillusioned as to who they should be accountable to. To make matters worse, the constitution was even ‘silent’ i.e. it did not provide details as to the controlling mechanisms of government officials who misused the people’s funds.

Even more confusing was when several public-funded companies, through privatization, were considered to be legally private entities (Abdul Aziz Bari 2003: 80). Paradoxically, many companies falling within this category were set up legally but were beyond the reach of Parliament sanction. Rumours of abuse of power and fund were ripe as to the implementation method, the forms of units to be privatized and to whom they were to be privatized for. The rumours did not stop there. The privatization program was also accused of becoming the bastion to serve the interests of certain individuals who consequently paved the way for easy and open practise of corruption and bribery from within and without the system. There was no formality for having open tender system, bailing out privatized units using public fund and nationalizing privatized units (buying the unit’s share below market price) (Gomez & Jomo 1999; Siddiquee 2006). Jomo (2003) calls the privatization timeframe i.e. more than 20 years both as the era of privatizing lucrative assets and profits while socializing the losses and liabilities.

Personnel management saw changes befitting NPM i.e. *Skim Saraan Baru* (SSB) or New Employment Scheme. Used to measure and appraise civil servants annual performance individually, the scheme is regarded as very helpful because it rewarded high performers who will then be qualified to be considered for promotions in terms of post and salary scale movement. This appraisal method is based on annual target job achievement and several other criteria (output-oriented) set out beforehand at the beginning of each respective year by the employees’ superiors. Introduced in 1992, the scheme links performance with reward. It replaces linear and curved salary scales with salary increment based on an employee’s annual work performance (Siddiquee 2006).

All tasks to be appraised in a performance appraisal are put under a purview of a panellist empowered with power to review, rate an employee’s performance, determine the salary increment movement and ascertained the numbers of employees who qualified for salary increment. For certain categories, there is no predetermined quota (Sarji 1996). However, the changes proposed under SSB gave rise to complaints and dissatisfaction among the civil

servants. Consequently, in November 2002, a complementary new scheme was put in place. It was called *Skim Saraan Malaysia* (SSM) or Malaysia's Employment Scheme. SSM was not meant to replace SSB. It was as an option to the civil servants who refused SSB. As such, SSM was expected to resolve problems associated with SSB by offering more attractive salary, higher prospect for promotion and much improved terms of employment. SSM, however, was not due without faults. Consequently, under the 11th national budget (2010), the government has decided to terminate SSM. It will be replaced by a new scheme in June 2011.

Yet, reforms in civil service employment have not been able to resolve problems associated with the basic aspects such as meritocracy and fairness in employment matters. Only little improvements have been made so far. In reality, quota system still prevails whereby 90% of the posts in the civil service are still reserved for the Malay ethnic while the other ethnics continue to fail to get posts they deserve. Besides, SSB remains vulnerable to abusive decision making, uncertainty and unfairness in performance appraisal process (Siddiquee 2010). What is most feared, according to Peters & Pierre (2004: 286) is politicization of the civil service. It occurs when individuals empowered to conduct performance appraisal only appraise their own 'kind' to be the highest achievers. Peters (2004: 133) highlights this predicament in the United States of America's civil service:

"The emphasis on performance management that is at the heart of President Bush's management agenda is therefore a potential backdoor opportunity for the politicization of the federal work force, or at least increased political influence over the actions of career employees of the federal government. Performance in public sector organizations is to some extent quantifiable, but it is also to some extent subjective. Therefore, the managers who are permitted to determine the extent to which individuals or organizations have performed well are able to shape the meaning of 'performance'. The General Accounting Office as a part of the negotiations surrounding the Government Performance and Results Act to some extent defines the standards of performance for federal government organizations but the standards for individual contributions to the organization remain more subjective".

Apart from that, SSB as an output based performance appraisal is relatively new to civil servants in Malaysia (Siddiquee 2010). Its application witnesses the beginning of a formal system which involves new practise by both the appraiser and the appraisee. This, in addition to continuous real performance appraisal tradition, requires undivided commitment for predetermined objectives (Siddiquee 2010).

Such a performance appraisal reminds Hofstede with the extent of the suitability of such an outcome-based appraisal with the culture of '*power distance*'¹⁵, considered to highly prevalent in Malaysia (Siddiquee 2010). Since it involves the appraiser discussing openly an employee's performance, it is seen much against a norm of the society i.e. it openly damages an appraisee's

¹⁵ '*Power distance*' refers to prevailing but accepted inequality by the society regardless of whether or not an individual is powerful or not. The high score of '*power distance*' indicates the society accepts unequal power distribution while at the same time fully understands the members' position in the system. Low score of '*power distance*' then means that power is shared and distributed equally. It also forces members of the society to see themselves as equal.

dignity and self-worth. (Hofstede 1991; Siddiquee 2010). As such, the weaker '*power distance*' is, the more likely the employees are willing to obey their superiors' orders without much regard to their works' accountability (Rahman 2006). Weakness is also ubiquitous in examination designed to measure civil servants' performances. Examination results can be altered to ensure that the numbers of employees who will be qualified for salary increment is not less than 5%. Accordingly, the examination system eventually does not depend on the final results. In other words, performance principle is not put in the right place. In fact, this is one of the major examples how the basic purpose of performance appraisal has to give way for political manoeuvres (McCourt 2006; Siddiquee 2006). That, is one of the good proofs of showing how a good intention can be distorted when political consideration commands more leverage (Siddiquee 2010). Furthermore, in other levels, ministers and their political emissaries will also be evaluated by way of their respective organizational performances. Peters & Pierre (2004) adds that such an appraisal method can become more intense especially when the politicians' control mechanism becomes even more stringent. In sum, the pressure for quantifiable appraisal, though still largely a subjective process, is becoming more popular with the removal of most restrictions concerning personnel matters (that have been politicized) which cannot be used any longer to serve the politicians' interests (Peters & Pierre (2004).

5.0 Conclusion

Modern public administration demands that public administrators, especially senior civil servants, posses greater freedom to exercise their discretionary power in the real sense just as it is demanded by constitutional principles and the spirit of democracy. However, it is difficult for senior civil servants to objectively separate public interests from those of personal especially if the political system is long dominated by politicians. Certainly, there are many weaknesses in the society such as ethnicised political system and new administrative mechanism based on neo-liberal being abused by certain parties to gain more wealth and power. The last Malaysia's national election in March 2008 had given numerous lessons to the civil servants. They have learned their lessons well and are now readjusting themselves to suit the new surrounding circumstances. The politicians are not spared either. The principle is the same, that is there must always be a difference between the appointed and the elected through election because some of them will remain while some will have to leave. Only from this sensible sense will accountability in the civil service be built and assured.

References

- Abdul Aziz Bari (2006). *Politik perlembagaan: suatu perbincangan tentang isu-isu semasa dari sudut perlembagaan dan undang-undang* (Politics of the constitution: a discourse of current issues from the perspective of constitution and legal aspects). Kuala Lumpur: Institut Kajian Dasar.
- Abdul Aziz Bari, Farid Sufian Shuaib (2004). *Constitution of Malaysia: text and commentary*. Petaling Jaya, Malaysia: Prentice Hall.
- Abdul Aziz Bari (2009). "Dilema pegawai kerajaan: antara politik, kerjaya" (Dilemma of civil servants: between politics and career). *Sinar Harian*, 17.
- Abdullah Sanusi Ahmad, Normah Mansor & Abdul Kuddus Ahmad (2003). *The Malaysian bureaucracy*. Kuala Lumpur: Pearson Prentice Hall.

- Ahmad Marthada (2004). *Representative bureaucracy and policy preferences: linking descriptive representation and potential for substantive representation in the Malaysian bureaucracy*. Thesis Dr. Fal, Southern Illinois University of Carbondale.
- Ahmad Sarji (1996). *Civil service reforms- towards efficiency and effectiveness*. Kuala Lumpur: Government of Malaysia. Ayee, Joseph. 1998. Ethics in public service in *Second Pan-Pacific Conference*. Rabat, Morocco
- Anon (2006). *Ekuiti Bumi: Teras pertikai tujuan kajian Asli* (Bumi equity: Teras argues Asli's research). Malaysiakini, 30 September.
- Barth, T.J. (1992). The public interest and administrative discretion. *American Review of Public Administration* 22 (4).
- Barzaley, M. (1992). *Breaking through bureaucracy: a new vision for managing in government*. Barkeley & Los Angeles: University of California Press.
- Davis, K.C. (1969). *Discretionary justice*. Baton Rouge: Louisiana State University. Department of Civil Sevice (2005). Prime Minister's Department, Malaysia.
- Dunleavy, P. & Hood, c. (1994). "From old public administration to new management". *Public Money and Management* 14 (3):9-16.
- Esman, M.J. (1972). *Administration and development in Malaysia*. Ithaca, NY: Cornell University Press.
- Ferlie, E., Pettigrew, A., Ashburner, L. & Fitzgerald (1996). *The new public management in action*. Oxford: University Express Oxford.
- Frederickson, H.G. (2009) *Administrative discretion and guerrilla government*. <http://people.ku.edu/gfred/documents/columnGuerrillaGovernment.doc> [20 November 2009].
- Gonzales, E.T. & Mendoza, M.L. (2002). Governance in Southeast Asia: issues and options. *Research Paper Series. No 200707*. Philippines Institute for Development Studies: Makati City: Philippines.
- Gunsteren, H.R. (1976). *The quest for control: a critique of the rational central-rule approach*. London: John Wiley.
- Gomez, E.T. & Jomo, S.K. (1999). *Malaysia's political economy: politics, patronage and profits*. Cambridge: Cambridge University Press.
- Hanekom, S.X. (1986). Ethical dilemmas. in *Key Aspects of Public Administration*. Hanekom, SX et al. (eds.) . Johannesburg: Longman.
- Haque, M.S. (2007). Theory and practice of public administration in Southeast Asia: tradition, direction and impacts. *International Journal of Public Administration*. 30:1297-1326

- Jomo, S.K. (2003). Mahathir's economy legacy: a chequered record of experiments, crises and escapes. *Aliran Monthly*. Vol. 28. Bo. 8.
- Leong, H.K. (1999). Bureaucratic accountability in Malaysia: control mechanisms and critical concern in Lee Kam Hing & Tan Chee Beng (eds.). *The Chinese in Malaysia*. Kuala Lumpur: Oxford University Press.
- Hood, C. (1991). A public management for all seasons? *Public Administration* 69 (1):3-19.
- Hofstede, G. (1991). *Cultures and organizations: software of the mind*. London: McGraw-Hill.
- Kasper, W. & Streit. (1998). *Institutional economics: social order and public policy*. Glos, UK: Edward Elgar Publishing Limited.
- Kernaghan, K. (1980). Codes of ethics in public administration: progress, problems and prospects. *Public Administration* 58 (Summer):200-219.
- Khoo, K.J. (1992). *The grand vision: Mahathir and modernization*. In Joel S. Khan & Francis Lok Wah (eds.) *Fragmented Vision: Culture and Politics in Contemporary Malaysia*. Sydney: Allen & Unwin.
- Lim, H.H. (2002). In Francis Lok Kok Wah & Khoo Boo Teik (eds.). *Democracy in Malaysia: Discourses and Practices*. Surrey: Curzon Press.
- Lim, H.H. (2003). *Improving administrative performance in Malaysia: the more difficult next steps in reform*
- McCourt, W. (2006). *Human factor in governance: managing public employees in Africa and Asia*. London: Palgrave.
- Means, G.P. (1986). Ethnic preference in Malaysia. In *Ethnic Preference and Public Policy*. In Nivitte, N. & Kennedy, C (pnyt.). Boulder, CO: Lynne Reinner.
- Osborne, D. & Gaebler, T. (1992). *Reinventing governing: how the entrepreneurial spirit is transforming the public sector*. Reading, MA: Addison-Wesley.
- Pierre, J. (1995). *Bureaucracy in modern state: an introduction to comparative public administration*. Aldershot: Edward Elgar.
- Pollitt, C. & Bouckaert, G. (2004). *Public management reform: a comparative analysis*. 2 ed. United Kingdom: Oxford University Press.
- Pollitt, C. (1993). *Managerialism and the public services: the Anglo-American experience*. 2 ed. Oxford: Blackwell.
- Pollitt, C. (1993). *Managerialism and the public services: cuts or cultural change in the 1990s*. 2 ed. Oxford: Basil Blackwell.

- Pollitt, C. (2003). *The essential public manager*. Maidenhead: Open University Press.
- Poocharoen, O. (2005). *Comparative public management reform: cases of policy transfer in Thailand and Malaysia*. Thesis Ph.D. Department of Public Administration, Maxwell School of Citizenship and Public Affairs of Syracuse University.
- Puttucherry, M. (1987). Role of the executive: the relationship between party and government. In *Reflections on the Malaysian constitution*, Aliran Monthly: Penang, Malaysia.
- Puttucherry, M. (1978). *The politics of administration: the Malaysian experience*. Kuala Lumpur: Oxford University Press.
- Rahman, S.A. (2006). Attitude of Malaysian teachers toward a performance appraisal system. *Journal of Applied Social Psychology* 16 (11):3031-42.
- Rais Yatim. (2006). *Cabinet governing in Malaysia*. Kuala Lumpur: DTP Enterprise Sdn. Bhd.
- Savoie D (1994). *Thatcher, Reagan & Mulroney: in search of a new bureaucracy*. Pittsburgh: University of Pittsburgh Press.
- Selden, S.C. (1997). *The promise of representative bureaucracy: diversity and responsiveness in a government agency*. New York: M.E. Sharpe
- Siddiquee, N.A. (2006). Public management reform in Malaysia. *International Journal of Public Sector Management* 19(4): 339-358.
- Siddiquee, N.A. (2010). Managing for results: lessons from public management reform in Malaysia. *International Review Of Administrative Science* 23 (1):38-53.
- Weber, M. (1947). *The theory of social and economic organization (translation by A.M. Henderson & Talcott Parsons)*. Glencoe: The Free Press.
- West's Encyclopaedia of American Law (2009).