CHAPTER 3

MALAYSIAN PUBLIC SERVICE

3.1   Introduction

The following review is intended to provide a background on the premise of this study; the Malaysian Public Service (henceforth MPS). This chapter presents the Public Service enterprise's administrative structure and the drives behind some of the modernisation efforts and reforms undertaken in the public service organisations and some of the initiatives to create an enabling environment in order to improve the quality of work life of its workforce. In addition, differences in work organisations between the public and private sectors are also discussed including elements of work motivation between the two sectors that influence employees to remain in the organisations.

3.2   An Overview of the Malaysian Public Service (MPS)

MPS is basically a very large enterprise that plays the role of formulating, administrating and implementing Government policies. The core business of MPS organisations is to deliver crucial services such as government administration, judicial, public security, national defence, health and education.

3.2.1   MPS within the System of Federal Government

MPS operates under the framework of constitutional Monarchy headed by the His Majesty the King (*Yang Di Pertuan Agong*). The King is one of the Malay Rulers elected

on a rotation basis for a term of five years by his fellow Rulers.   There are three branches

of institutions under the King i.e., the Executive; the Legislature, and the Judiciary.

Parliament under the Legislature arm consists of a senate (*Dewan Negara*) and a House

of Representatives (*Dewan Rakyat*). Elections to the Lower House are held every five

years. The Cabinet, headed by the Prime Minister, consists only of members of the

Legislature and is collectively responsible to Parliament. The Judiciary is wholly federal,

and acts independently of the legislative and Executive branches of the government. The

Prime Minister heads the Executive. He is also the Chairman of the cabinet that is made

up of twenty-eight Ministers responsible for various functions. The cabinet advises His

Majesty the King in the exercise of his functions. The Public Services of the Federation,

whether civilian or military, are non-political and owe their loyalty to the King and the

Rulers, and the Government elected by the people through general elections.

3.2.2   Scope and Coverage of the Public Service

The Malaysia Federal Constitution (Article 132) defines "Public Service" as consisting of

the General Public Service of the Federation, the State Public Services, the Joint Public

Services, the Education Services, the Judicial and Legal Services, Police Force and

Armed Forces (Muhamad Rais, 1999). The Chief Secretary to the Government leads the

Public Service and is directly answerable to the Prime Minister. Services Commissions,

Central Agencies and Ministries/Departments all come directly under the Chief Secretary

to the Government. The MPS structure within the Federal Government is shown in Figure

3.1. A number of Service Commissions were established under the Constitution as part of

the structure to ensure the impartiality of the public service and to protect it from political

interference. The Commission or in some cases called the Council presently existing are

the Public Service Commission, Judicial and Legal Services Commission, Education Service Commission, Public Service Commission, Armed ForcesCouncil, Communication and Multimedia Commission and the respective State Public Service Commission.

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                        His Majesty the King


        Legislature          Executive              Judicial
        Parliament       Prime Minister and          Courts
                             Cabinets


                         PUBLIC SERVICE


                       Chief Secretary to the
                           Government


        Service           Central Agencies        Operating
       Commission                                  Agencies

     e.g., Public Service                          Ministries
       Commission                                And Departments


  Finance     Economic      Personnel     Modernisation       Legal
            Development                        and
                                          Administration
  Treasury    Economic    Public Service  Modernisation and   Attorney
             Planning Unit  Department     Administration Unit  General's
               (EPU)          (PSD)            (MAMPU)          Chambers
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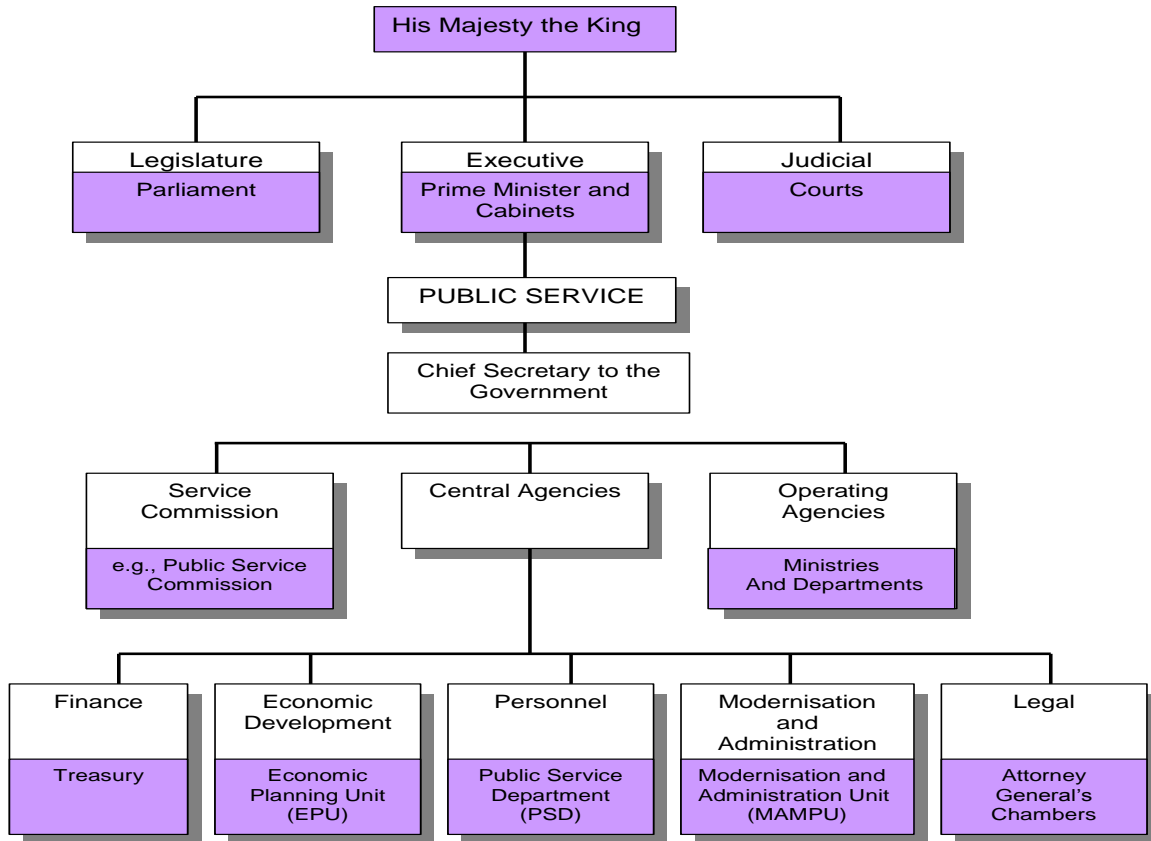
Figure 3.1:   Malaysian Public Service within the System of Federal Government

Aside from the commission and the central agencies, there are other organisations type grouped under the operating agencies called the Ministry and the Department. These ministries are responsible for strategic and policy planning involving all departments or agencies under it. The departments are responsible for the micro implementation of the

policies and plans. There are 720organisations in the MPS enterprise (Public Service Department, 2005). These organisations can be categorised into three (3) administrative group namely federal agencies, federal operating agencies and state operating agencies.

There are 39 central agencies, five (5) of which considered key agencies are the Federal Treasury, the Economic Planning Unit (EPU), the Public Service Department (PSD), the Malaysian Administrative Modernization and Management Unit (MAMPU) and the Attorney General's Chambers. Federal operating agencies consist of twenty seven ministries representing various government portfolios such as security, economic, social and general administrative. Under these ministries, there are seventy three (73) departments and eighty (80) statutory bodies. Malaysia constitutes of 14 states each with its own administrative structure. A detail breakdown of the organisations in MPS according to organisation type is depicted in Figure 3.2. This research utilised the sampling frame consisting of key information from these organisations.

3.2.3   The Management System in Malaysian Public Service
3.2.3.1 Public Service as an Open System

MPS organisations can be viewed as a reconciliation of a rational and open system model based on Richard Scott's analysis of three (3) system perspectives of organisation set-up; rational, natural and open system (Scott, 2002). He said that organisation as rational system focuses on the normative structure of the organisation, stressing goals and the formalization of rules and roles. The goals of the organisation guide the decisions about how the organisation structure is to be designed.
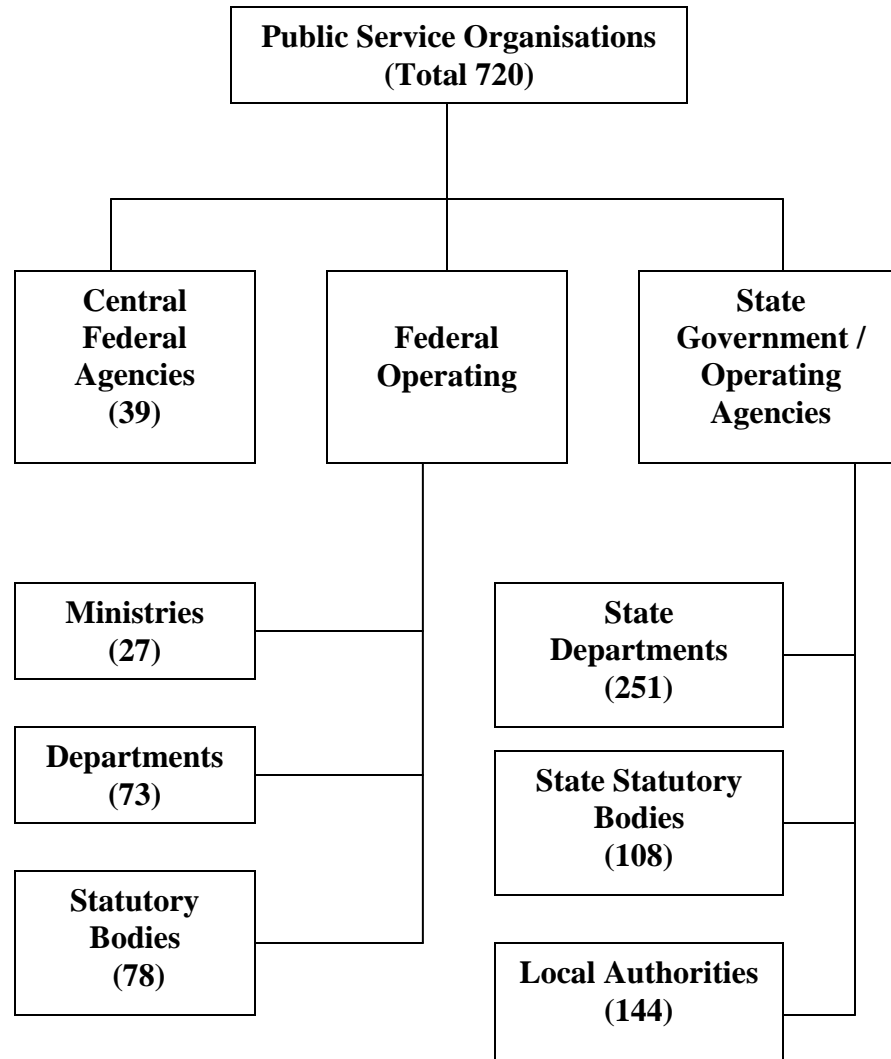
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                    ┌─────────────────────────┐
                    │ Public Service Organisations │
                    │       (Total 720)        │
                    └─────────────────────────┘
                                 │
          ┌──────────────────────┼──────────────────────┐
  ┌───────────────┐      ┌───────────────┐      ┌───────────────┐
  │   Central     │      │               │      │    State      │
  │   Federal     │      │   Federal     │      │ Government /  │
  │   Agencies    │      │  Operating    │      │  Operating    │
  │    (39)       │      │               │      │   Agencies    │
  └───────────────┘      └───────────────┘      └───────────────┘
                                 │                       │
  ┌───────────────┐              │       ┌───────────────┐
  │   Ministries  │──────────────┤       │     State     │
  │     (27)      │              │       │  Departments  │────┐
  └───────────────┘              │       │    (251)      │    │
                                 │       └───────────────┘    │
  ┌───────────────┐              │       ┌───────────────┐    │
  │  Departments  │──────────────┤       │ State Statutory│    │
  │     (73)      │              │       │    Bodies     │────┤
  └───────────────┘              │       │    (108)      │    │
                                 │       └───────────────┘    │
  ┌───────────────┐              │       ┌───────────────┐    │
  │   Statutory   │──────────────┘       │Local Authorities│──┘
  │    Bodies     │                      │    (144)      │
  │     (78)      │                      └───────────────┘
  └───────────────┘
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Figure 3.2: Organisation Type in Malaysian Public Service Structure

Note: Total number of Agencies as at 31 December 2006

In MPS the organisation have specific goals that influence which tasks are to be performed, the type of personnel and skills required and the allocation of resources among organisational members. The MPS is homogeneous as far as the structure and roles are concern (Musalmiah, 1999). The structure of the organisation is formalised in the sense that the rules governing its activities are precisely formulated. The roles are

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defined independently of the attributes and relations of the persons that occupy a particular position in the organisation structure.

Scott (2002) pointed that the open system model focuses on the reciprocal ties that bind the organisation to its environment, which is perceived to be the source of information, material and energy, vital to the continuation of the system. MPS organisation viewed from an open system perspective is one that gives and takes from its environment to exist, to be sustained, and to succeed. Organisation that must serve its purpose should have all its internal structures consisting of assets and processes set up to achieve its mission. Anything that hinders assets and processes from functioning potentially disrupts the organisation's ability to be successful.

In addition, it is essential for MPS organisation to invest wisely in their strategic assets that is its employees as this is crucial to the success the organisation. In this context, creating an enabling work environment to encourage and allow employees to contribute to the best of their ability to improve productivity and performance in achieving organisation's goal is important measures for elevating the quality of work life that can increase the level of commitment of employees to the organisation.

3.2.3.2 Comparison with Private Sector

Understanding the general differences between public and private sector would help to make clear the drives and motivation of both sectors in their work organisation. Levine (1976) for example, has considered the difference between public and private sector in three areas, environmental, organisational and internal structure. Environmentally public

sector organisation are largely involve with less market exposure resulting in less incentive for productivity and effectiveness, more legal and formal constraints and greater political influence. The organisation factor indicate that public service organisations are subjected to more mandatory actions due to the unique authority and coercive powers of the government and greater expectation from the public.

The internal structure of the public service involve a generally more complex criteria compared to their private counterparts, such as managers with less decision-making autonomy, less authority over subordinates and greater reluctance to delegate duties. At the organisational level, public service managers are working under a more rigid hierarchies and structures well as bureaucracy constraints. Down at the individual level, the public service employees are motivated more by services delivery than by financial consideration.

There are five differences between public and private sector organisations, according to Heeks (1998). First, with regard to objectives; Public Service organisations' objectives are broader than their private sector counterparts. Public Service's objectives encompass social, political and economic factors, while private sectors' objectives focus more on financial gain. Second, the accountability and responsibility of both are different. Private sector organisations are more accountable to their shareholders, customers and employees.

On the other hand, Public Service organisations have a broader set of political and legal accountabilities. Rainey, Backoff and Levine (1976) stated that Public Service

organisations have a wider scope of concern and significance regarding public interest. Furthermore, they are subjected to higher level of public scrutiny and greater expectation to act responsibly, accountably and honestly.

Third, there is a difference in competitiveness. Public Service organisations rarely find themselves in direct competition with other organisations as opposed to private sectors that tend to compete with other agencies for resources. Fourth, there is lack of production and sales in the Public Service context as the majority of the organisations are entrusted to deliver service. Finally, the projects undertaken by the Public Service is normally large and complex as compared to those handled by private sector organisations. This is due to the nature of the Public Service involvement with large number of stakeholders particularly the Malaysian public, and the requirement for tailor made, high-risk, state-of-art solutions, and high technology projects that need a large allocation of resources (Abdullah and Ahmad, 2001; Wilcocks, 1995).

3.2.3.3 How MPS Initiated Reforms

Like in any country, the Malaysian Public Service is the backbone of its Government. The current changing environment and the rising expectations of its stakeholders and customers are pushing the public service to review, rethink and transform itself to raise its performance to a higher level. It also has to find ways to create greater value from the available resources by delivering targeted outcome more cost-effectively. In fact, MPS organisations has been proactively initiate changes and build on already well-performing practices in light of the anticipated issues and challenges of the future environment.

Since independence in 1957, the MPS has undergone considerable change. It has transferred itself from a maintenance-oriented administration in the 1950s to a customer-oriented administration in the 1990s that lead to effort towards strengthening service delivery by means of information and communication technology (ICT) and good management practices in the early 2000s (Jamaluddin, Zulkarnain and Sarojini, 2004).

With the aimed to ensure the public service has and will continue to have the capacity to deliver, several strategic actions and reforms has been proposed. These reform efforts include the introduction of quality control circles, good work values and ethics, total quality management (TQM), MS ISO 9000, client's charter, productivity measurement and project planning and management (Triantafillou, 2002). The quality movement for example, became further intensified and strengthened when a comprehensive award system was introduced in an attempt to institutionalise the culture of excellence in the public service. In fact this policy has become the driving force behind the systematic and continuous efforts by public agencies to upgrade in terms of quality and innovative ways and means to better serve the customers (Siddiquee, 2006). These reforms are basically concerned with making changes to organisation structures, rules and procedures, the management of personnel and to the provision of services. The administration reforms at this level were geared towards making the organisations more functional and more efficient.

The initiation and implementation of reform efforts across the public service faced many challenges such as the difficulty in changing the mind-sets of employees, the need for training and retraining to implement new skills and knowledge, and to increase

management capability and operational capacity in the current complex environment; the need to effectively communicate rationale for new policies; finding the appropriate methodology for the implementation of these reforms (Jamaluddin A.D. and Malek Shah M.Y., 2005). Present strategies to communicate the reform efforts involve issuing General Circulars, Administrative Circulars and Treasury Circulars. Each circular contains the rationale for the reform, principal concepts and guidelines or methodology for implementation. Each circular requires the agency to plan and implement the requirements of the circular. This may require changes in policies, processes, structures or method. Additional guidelines are issued to compliment circulars aimed at helping agencies implement them. This existing foundation and mechanism of policy and process reforms have been an advantage as far as the quality of working life in MPS organisation is concern.

The Malaysian government has also appears to be well ahead of many other developing countries in terms of emphasising its significance and undertaking programs for information technology (IT) application in the administration. The Multimedia Super Corridor (MSC) established in 1996, for example, is seen as a milestone in the development of IT application in all areas including the government. In order to enhance the performance and quality of public service, the government initiated an E-Government by harnessing IT and multimedia (GOM, 2000; Karim and Khalid, 2003). The government is confident that with this initiative more and more services could be provided online where agencies at the federal, state and local authority will collabourate relating to services and present them as one public service portal. The proactive

relationship between sectors is mainly aim to meet the customer expectations in the information age (GOM, 2000).

In terms of managing its human resources, new measures and initiatives have been implemented including building workforce competency by developing the necessary skills, knowledge and work ethic through systematic, comprehensive need-based training programmes; establishing workplace improvement team; employee-employer relations through information sharing, consultation and coordination programmes; flexi working arrangement; provide rewards and recognition based on performance; and creating a conducive and harmonious working environment. In fact, these reform measures represent efforts to create a foundation for long term success for the public service to achieve the national aspiration and vision (Public Service Department, 2005). The outcome of the efforts will be reflected in the forms of:

(i)   Greater efficiency and effective performance;
(ii)   Enhanced accountability and public trust; and
(iii)   A customer-focused service delivery system that focused on better services and quality results.

In this regard, the coordinated and coherent approach of the strategic human capital management and creating an enabling work environment together with a high performance work culture will increase efficiency and effectiveness of operations in the public service which will lead to an improvement of the quality of work life of public employees and further strengthen their ties or commitment to the organisation.

3.2.4   Public Employee Commitment versus Private Employee Commitment

The traditional perspective has been that key differences between the public and private sectors have important implication for work-related outcomes such as job satisfaction, commitment and performance (e.g. Robertson and Seneyiratne, 1995; Buelens and Van den Broeck, 2007). However, there is considerable evidence to suggest that business organszations are more successful at stimulating commitment to their purposes than public organisations or government agencies (Buchanan, 1974).

According to Liou and Nyhan (1994), studies comparing the organisational commitment of employees in the public sector with that of workers in the private sector have yielded mixed and often contradictory results. For example, Moon (2000) found that public sector managers expressed lower organisational commitment than their counterparts from the private sector, especially in terms of their willingness to expend extra effort. Specifically, government managers are generally less involved, less loyal and display weaker identification with the aims of their agencies than business executives (Buchanan, 1974a).

Bourantas and Papalexandris (1992) when examined the differences of organisational commitment between managers in public and private sectors in Greece and the relationship with national culture, concluded that public sector managers has lower organisational commitment compared to their private sector counterparts. The authors also pointed out that the cultural characteristics of the public sector, such as bureaucratisation, overstaffing and less task autonomy are among the reasons that made the jobs in the public sector to be less interesting and thus lead to lower organisational

commitment. The more recent study indicate that the private sector workers are more committed to their organisations, followed by the non-profit organisation employees, and that the public sector workers has the lowest level of organisational commitment (Goulet and Frank, 2002). Several other studies (e.g. Perry and Rainey, 1988; Chubb and Moe, 1990) also showed similar results pertaining to the differences of commitment between the public and private organisation employees.

Some other studies, however, have reported a higher level of commitment among public sector managers or no difference (Buelens and Van den Broeck, 2007). Farid (1997), for example, compared the organisational commitment of 54 and 43 middle managers from public sector and private sector organisations, respectively, and found no significant differences. On the other hand, Rainey (1982) claimed that public sector managers cared less about monetary rewards compared to their counterparts in the private sector.

Similarly, Zeffane (1994) when examined the relationship between organisational commitment and perceived managerial styles in public and private sectors' organisations in Australia, found that public sector employees are more loyal and attached to their organisation as opposed to their counterparts in the private sector. Meanwhile, Crewson (1995, 1997) affirm that public employees are more committed to their jobs when their reward orientations matched those of their agencies. In such circumstances, this could reflect a higher job performance, and that argument depends on a strong (unproven) link between job commitment and performance.

3.2.5   Chapter Summary

Malaysian Public Service (MPS) organisations have been chosen as the setting of this study of quality of work life orientation. This chapter offered a specific explanation and review of MPS governing and administrative structure in order to provide understanding of the Public Service organisation's administrative structure, its function and the process of administrative change especially in the implementation of new measures and programmes in order to create greater value and achieve excellence in the complex and rapidly changing environment. The chapter also highlighted the differences in work organisation and factors that stimulate commitment between the public and private sectors.

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