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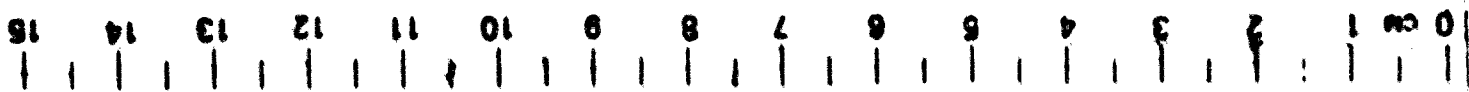
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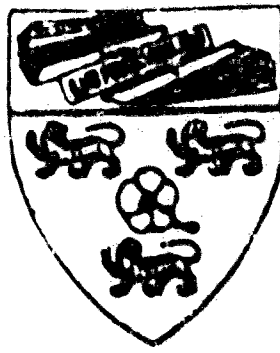
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PERSONNEL POLICY AND PRACTICES

OF

BANK NEGARA MALAYSIA

by

Syed Hussain Wafa

A Graduation Exercise presented to  
the University of Malaya in  
part fulfilment towards the  
Degree of Bachelor of Arts  
with Honours in Economics



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## ACKNOWLEDGEMENT

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Secondly, I would like to thank all members of the Staff of Bank Negara Malaysia who have helped me in one way or another during the course of my study. Particularly I would like to thank the Manager of the Establishment Department and members of his staff for their co-operation and considerable help.

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S.H.W.

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## CHAPTER I

### INTRODUCTION

#### (a) Objective of Study

The objective of this study is to examine the Personnel Policy of Bank Negara Malaysia and then to find out to what extent the policy is carried out in practice. If there is any divergence between the two, then an attempt is made to find out the cause for such a divergence.

The examination of the policy is fairly narrative, since the aim is to state the policy and not to discuss its pros and cons. Only in certain parts where the policy is vague or practice does not conform with the policy, would criticisms and comments be made.

An attempt is also made to compare the Terms and Conditions of service existing in Bank Negara Malaysia with that of the Government and the Central Electricity Board. The comparison is however, limited to certain broad categories of appointments and to the main aspect of Terms and Conditions of service only, namely basic salary, housing allowance and cost of living allowance. The objective here is to find out whether the Terms and Conditions of service of Bank Negara Malaysia is on par or not with those existing in the Government service and other Statutory Organisations.

Finally an appraisal of the policy and the practice of the Bank is made. The aim here is to point out the more glaring weaknesses of the policy and the practice which may not be conducive to good Personnel Management, and to suggest remedies for these weaknesses.

#### (b) Scope of Study

The study covers all aspects of Personnel Policy and Practice of Bank Negara Malaysia. However, no discussion is made on policy on Morale, since no specific policy on this exist in the Bank. It is assumed that with acceptable terms and conditions of service and other fringe benefits, it would naturally take care of the morale side of the personnel. As such it is not necessary to have a stated, clear-cut policy aimed at up lifting the morale of the staff. It is inclusive



in the overall Personnel Policy of the Bank.

The study is in three main parts with several chapters in each part. Part I deals with a brief history and functions of the Bank; structure and organisation and the changes that took place since its establishment; and the Personnel Policy in general and how it is derived. This section of the study gives a general picture of the Bank and thus enable the reader to know the extent and responsibility of the Personnel Management, which has been entrusted to the Establishment Department of the Bank.

Part II forms the bulk of the Graduation Exercise. It consists of four chapters with a chapter each on qualification requirements at various levels, Recruitment Policy and Procedure, Terms and Conditions of Service and Training and Development. Under qualification requirements, a discussion is made of the requirements for different appointments in the Bank. In cases where the requirements are not adhere to in the selection of candidates, then a closer examination is made to find a justification for such action. Under Recruitment Policy, the policy and procedure for appointment and promotion is discussed. A close study is also made of the "Preference for Malays Policy" of the Bank and to see to what extent this policy is being implemented. The study also covers Terms and Conditions of service existing in Bank Negara Malaysia and comparison of the main items are made with that of the Government and the Central Electricity Board. Training and Development covers the training programmes, locally and overseas, which are available to the members of the staff of the Bank. However, no detail discussion of each course is made as reliable informations on some of the courses are not available. But the nature of the courses and to what extent they are beneficial to the Bank and the individual is discussed. Finally, Part II is concluded with a chapter on Termination of Service. No discussion is made of the reasons or causes of resignations and expulsion of employees over the years. The Bank indicated that such a study would be embarrassing to the Bank as well as to the individual concerned. As such the Bank is not prepared to allow such study or to permit interviews with any of the former employees. So this study only records the reasons for resignation and expulsion as given by the Bank. However, a deeper study in to this forbidden area would most probably reveal many interesting facts and figures concerning the Bank and its relationship with some members of the staff. Such study would reveal to some extent the unwritten secrets of success or failure of the Personnel Management of the Bank.

Part III comprises an appraisal of the Personnel Policy and Practice of the Bank. The criticisms and suggestions made are based on facts, and it is hoped that they would be beneficial to some extent to those involved with the Personnel Policy and