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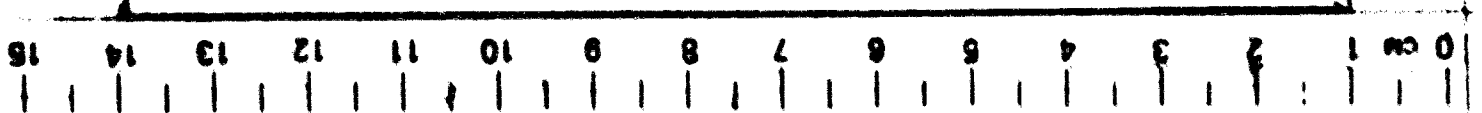
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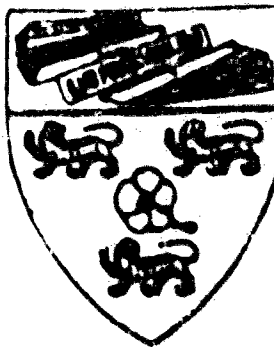
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PERSONNEL POLICY AND PRACTICES

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

First and foremost I would like to thank the Governor of Bank Negara Malaysia for his consent to allow me to undertake this interesting study. This study has been very useful and beneficial to me, not only in the sense that I have been able to produce this Graduation Exercise, but also in the sense that it has given me a clearer view of the problems and difficulties of Personnel Policies and Practices of the Bank. I am sure the experience and the knowledge I have received as a result of this study would be of immense value and help to me in my career with Bank Negara Malaysia later on.

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.

Thirdly, I would like to thank Inche Din Merican of the Establishment Department of Bank Negara Malaysia for his personal interest in my work and for his constructive criticisms.

Last but not least, I would like to thank Professor H.C. Wilkinson and Mr. K.S. Nijhar of the Economics Department of the University of Malaya for their invaluable advice, comments, criticisms and suggestions without which, I am sure this Graduation Exercise may have not taken the present form.

August 1965.

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

Practice of the Bank. On the recommendation of the Manager, Establishment Department, the study does not cover the position of the Governor and the Deputy Governor of the Bank. It is felt that their appointments are not similar in any way to other appointments in the Bank. However, a brief mention is made of how they are appointed, but their terms and conditions of service are not discussed.

### (c) Research Methodology

Since the Bank is of very recent origin, therefore there is no compiled documents which contain all the Personnel Policy of the Bank. Informations on the policy are contained in Staff Circulars, department files, Bank Annual Reports and Articles. So the materials for the Graduation Exercise were obtained from the above sources. The figures used in this study are compiled from raw data gathered in the course of the study. Informations contributed by the officers of the Bank were not very reliable for they tend to contradict each other and at times the officers were not prepared to provide informations for fear of committing themselves. Under such circumstances, materials for the study had to come from primary sources only, and this took considerable amount of time to gather due to various limitations imposed upon the study.

### (d) Limitations of Study

There are various limitations imposed on the study by the Bank.

- (1) highly confidential matters were not to be discussed - thus there was the problem of deciding which matters were considered as highly confidential.
- (2) No personal interviews with any officers of the Bank except with those in the Establishment Department. This slowed down the gathering of informations from other departments.
- (3) All files must be scrutinised by the Manager of the Establishment Department before they can be looked into. This slowed down the work tremendously for the Manager, being a very busy man, sometimes was not in the office to do the scrutinising.

- (4) No case-study of any native was to be made to illustrate any divergence of the Practice from the Policy. It was felt that the findings of such study would embarrass the Bank and creates undesirable results.
- (5) The study was to be conducted in such a way as not to interfere in any way with the normal function of the Bank. As such the officers were not able to help very much in the study as they had their own commitments.

Due to these limitations, it was quite difficult to collect the necessary materials for the study. At the same time, a good amount of confidential informations were withheld. Had they being made available there is every likelihood that a clearer view and may be a different picture of the Personnel Policy and Practice of the Bank would be portrayed.

---

PART I - INTRODUCTION TO BANK NEGARA MALAYSIA1. Brief history of B.N.M. and its functions

The need for a Central Bank was recognised as early as 1954 when the International Bank for Reconstruction and Development (I.B.R.D.) Mission in its Report felt that:-

"there is a real and present economic case for the establishment of a Central Bank in Malaya. But if this were not so, if the Malayan economy were not yet ready for it, there might nevertheless be sound reasons to establish a Central Bank now. A Central Bank has become a symbol of monetary independence, without which political independence is thought to be incomplete".

The Government of the former Federation of Malaya and Singapore supported the recommendations of the International Bank and actively sought to implement it. To this end, Sir Sydney Caine formerly Vice-Chancellor of the University of Malaya and Mr. R.M. Watson, formerly Chief of the Overseas Department of the Bank of England, were invited by both Governments to look into the prospects and possibilities of establishing a Central Bank. Although both the I.B.R.D. and the Watson-Caine Report<sup>2</sup> stressed the advantages of a joint Central Bank for Malaya and Singapore, it was, however, felt that in view of different political developments and the impending changes in the political status of the two territories (independence for the Federation and self-government for Singapore) the time was not quite appropriate for a joint institution. For political and economic reasons, Malaya went ahead with the establishment of its own Central Bank - the Bank Negara Tanah Malayu. Two ordinances were passed by the Legislative Council; the Central Bank of Malaya Ordinance in October 1958 to give life to the Bank itself and the complementary Banking Ordinance in December 1958 to regulate the business of licensed banks in the country.

Bank Negara Tanah Malayu came into existence officially on January 24, 1959 and commenced operations on January 26, 1959. Provision was also made to allow the Bank to extend its Jurisdiction to other territories. In the Central Bank of Malaya Ordinance 1958, it states that:

- 
1. I.B.R.D. The Economic Development of Malaya Singapore: Government Printer, 1955. P.168.
  2. C.M. Watson & Sir Sydney Caine, Report on the establishment of a Central Bank in Malaya, Kuala Lumpur: Government Press, 1958.

"whenever the Government shall have entered into an agreement with the Government of any territory whereby the jurisdiction powers and obligations of the Bank may be extended to any such territory, and such resolution of the House of Representatives, the Yang di-Pertuan Agong may order amend, adapt or repeal such provision of this Ordinance as appear to him necessary for the purpose of bringing the provisions of this Ordinance into accord with the provisions of such agreement".

Accordingly the first branch of the Bank was established in Penang in March 1961, followed by a branch in Singapore in September 1963. As a result of the extension of the Banking Ordinances to the Borneo States, the Bank is planning to open up new branches in Jesselton (SABAH) and Kuching (SARAWAK) as well as in other states of Malaya in the near future.

### FUNCTIONS OF THE CENTRAL BANK

The Central Bank of Malaya Ordinance 1958 entrusts the Bank with four principal functions :-

- (i) To issue currency in the Federation
  - (ii) To act as banker and financial adviser to the Federation Government
  - (iii) To promote monetary stability and a sound financial structure in the Federation;
- and (iv) . To influence the credit situation to the advantage of the Federation.

Since its establishment the power to issue currency has been held in abeyance in order to avoid an irrevocable severance of monetary relationships with Singapore and the Borneo territories, including Brunei. Malaya has continued to share with Singapore, Sarawak, Sabah and Brunei a common currency issued by the Board of Commissioners of Currency. The Central Bank, in preparation for its role as sole currency-issuing authority, became the agent for the Currency Board in Kuala Lumpur and Penang in 1961 and in Singapore in 1963. It also took over the day-to-day administration of the Currency Board in July 1962, when the Head Office of the Board was transferred to Kuala Lumpur and a senior officer of the Central Bank was appointed Secretary to the Board. It is the policy of the Central Government to make Bank Negara as the sole currency issuing authority for the country as soon as

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3. The Central Bank of Malaya Ordinance, 1958.  
Section 56, Part IX.  
Kuala Lumpur: Government Printer, 1958.

possible, most probably by the middle of 1966. Negotiations between the Governments of Malaysia and Brunei for replacement of the Currency Board by the Central Bank were commenced towards the end of 1963 and it is hoped that currency arrangements satisfactory to both parties will be concluded soon.

The second function of Bank Negara is to act as a banker to the Federation Government. On the opening day of the Bank, all the major accounts of the Federation Government were transferred from several commercial banks within which they were previously maintained. It has also since then become a banker to the State Government of Selangor, Penang and Singapore. The Bank is also an authorised agent of the Government for the investment of its funds abroad. In its official transactions with the International Monetary Fund, the International Bank for Reconstruction and Development and the International Finance Corporation, the Bank serves as a depository for the Federation. The Governor of the Bank is the alternate Governor of the International Monetary Fund for Malaysia. Since June 27, 1960, the Bank has managed the Federation Government's local funded debt. From August 1960 the Bank took over the administration of the Federation's Exchange Control Regulations from the Treasury.

As a financial adviser to the Government, the officers of the Bank have participated in various Governmental Advisory Committees concerned with national planning, creation of Malaysia, and other important economic and financial matters. This is a clear indication that the voice of the Central Bank is heard in the consideration of economic and financial matters in the Federation. In fact a very close liaison is maintained between the Bank and the Treasury as well as with other Ministers dealing with planning and development as well as trade.

The third principal function of the Central Bank is to promote monetary stability and a sound financial structure in the Federation. The execution of this task implies monetary management, the scope of which, at present, is rather limited in the Federation. But statutory provisions have enabled the Bank to influence commercial bank lending policies through the observance of prescribed liquidity standards, the maintenance of statutory reserves with the Bank and through the operation of a "local assets"<sup>4</sup> ratio. The direction of bank lending can be also influenced.<sup>5</sup>

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4. Local Assets are those parts of bank's investments in Malaysia—e.g. Malaysian Govt. Securities and Treasury Bills, Inter-Bank Balances in Malaysia, Money at Call in Malaysia, Short Term Advances, Bills of Exchange drawn and payable in Malaysia and Inter-Bank Borrowings in Malaysia.

5. The Central Bank of Malaya Ordinance, 1958. Part VII  
Kuala Lumpur: Government Printer, 1958.

Finally, it is the function of the Central Bank to try to influence the credit situation to the advantage of the Federation. Prior to the establishment of the Bank, on account of the close financial and trading links between the Federation and United Kingdom coupled with the comparative ease and the low cost with which funds can be transferred between the two territories, the interest rates of commercial banks followed closely the movements in the U.K. Bank Rate. Since then, however, the Bank has attempted to gear Federation interest rates more closely to the needs of the economy and no changes were recorded in Federation interest rates in October and December 1960 and in October and November 1961 when changes occurred in the U.K. Bank Rate; on other occasions, however, the Bank recommended corresponding changes. In pursuing its interest rate policy, the Bank has successfully obtained the co-operation of the Malayan Exchange Banks' Association<sup>6</sup> in Singapore to maintain uniform rates on a Pan-Malayan basis.

The role of the Central Bank as the fulcrum of the entire banking system of Malaysia, and also as the main authority on policies relating to monetary management including currency, makes it the foremost financial institution, which, in co-ordination with the fiscal and budgetary policies of the Central Government, is responsible, for the financial health and prosperity of the country. The Governor of the Bank, in his Article for the Malaysia Trade Bulletin publication for 1964, aptly sums up the magnitude of the Bank's responsibilities in the field of the nation's economic development:

"In the task of national development, Bank Negara Malaysia occupies a central position. It is concerned not only with the fostering of a dynamic banking system and financial framework to facilitate the mobilisation of financial resources but also with the maintenance of monetary stability during the process of economic growth. Much has been achieved in the past few years but much more requires to be done and the Central Bank will have to continue to devote much of its energy towards evolving the necessary financial institutional framework to meet the requirements of a fast developing economy and at the same time maintaining a high degree of monetary stability<sup>8</sup>."

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6. Malayan Exchange Banks' Association is an association of commercial banks in Malaya established during the prewar days. Its main aim is for members to agree to confine to a set rules and regulation in conduct of business between the commercial banks and the public and to fix the exchange rate. With the establishment of B.N.M. the Association split up into two - one for Singapore Exchange Banks and the other for banks in the Federation. But now, since formation of Malaysia, there is a move to unite these two associations into one again, to be known as Malaysian Exchange Banks' Association.

## 2. STRUCTURE AND ORGANISATION OF B.N.M.

Proper organisation is essential in every group of individuals, whether large or small, co-operating in the production of goods and services. The larger, the group, the more complex is the organisation. Large or small, however, every organisation requires good management in order to carry out its functions efficiently. There are various standards by which good management may be judged and the following are five of the standards<sup>9</sup> :-

- (i) Every worker must know his duties and to whom he is responsible
- (ii) There should only be one channel of command
- (iii) Those whose duty it is to check performance should not be responsible to those whose work is being checked.
- (iv) The number of subordinates reporting to any executive should be limited
- (v) Every organisation should aim at being self-perpetuating, that is to say, positions should be graded as to allow a methodical progression from one position to another.

In order to enable it to carry out its functions as a central bank efficiently, Bank Negara is organised into a number of departments, sections and offices. As the Bank grows in the course of time, it has to undertake greater responsibility and perform greater functions and so the organisation too undergoes change.

Chart 'A' shows the proposed departmental organisation envisaged on the establishment of the Bank in January 1959. This, scheme of organisation could not be fully implemented for various reasons, particularly in regard to the Banking Department.

- 
7. With the formation of Malaysia on September 16, 1963, and the extension of the Banking Ordinances, the Bank has changed its name from Bank Negara Tanah Melayu to Bank Negara Malaysia.
  8. File No.2701.0 - B.N.M. Articles for Publication. "The Role of Bank Negara Malaysia in National Development." by Dato' Ismail bin Mohamed Ali, Governor, Bank Negara Malaysia.
  9. Extracts from a paper prepared by an Assistant Economist of Bank Negara Malaysia for the General Staff Training Course.

BANK NEGARA TANAH MELAYU - ORGANISATION CHART - 1959BOARD OF DIRECTORS

GOVERNOR

DEPUTY GOVERNOR

Economic  
Dept.1 SE  
1 S  
5 CSecretary's  
Dept.1 SE  
4 C  
2 NCChief Accountant's  
Dept.1 SE  
1 S  
3 CBanking Dept.Foreign  
Exchange1 SE  
1 EBank  
Supervision1 SE  
1 E  
2 SBanking  
Operations8 S  
18 C  
3 NCKEY

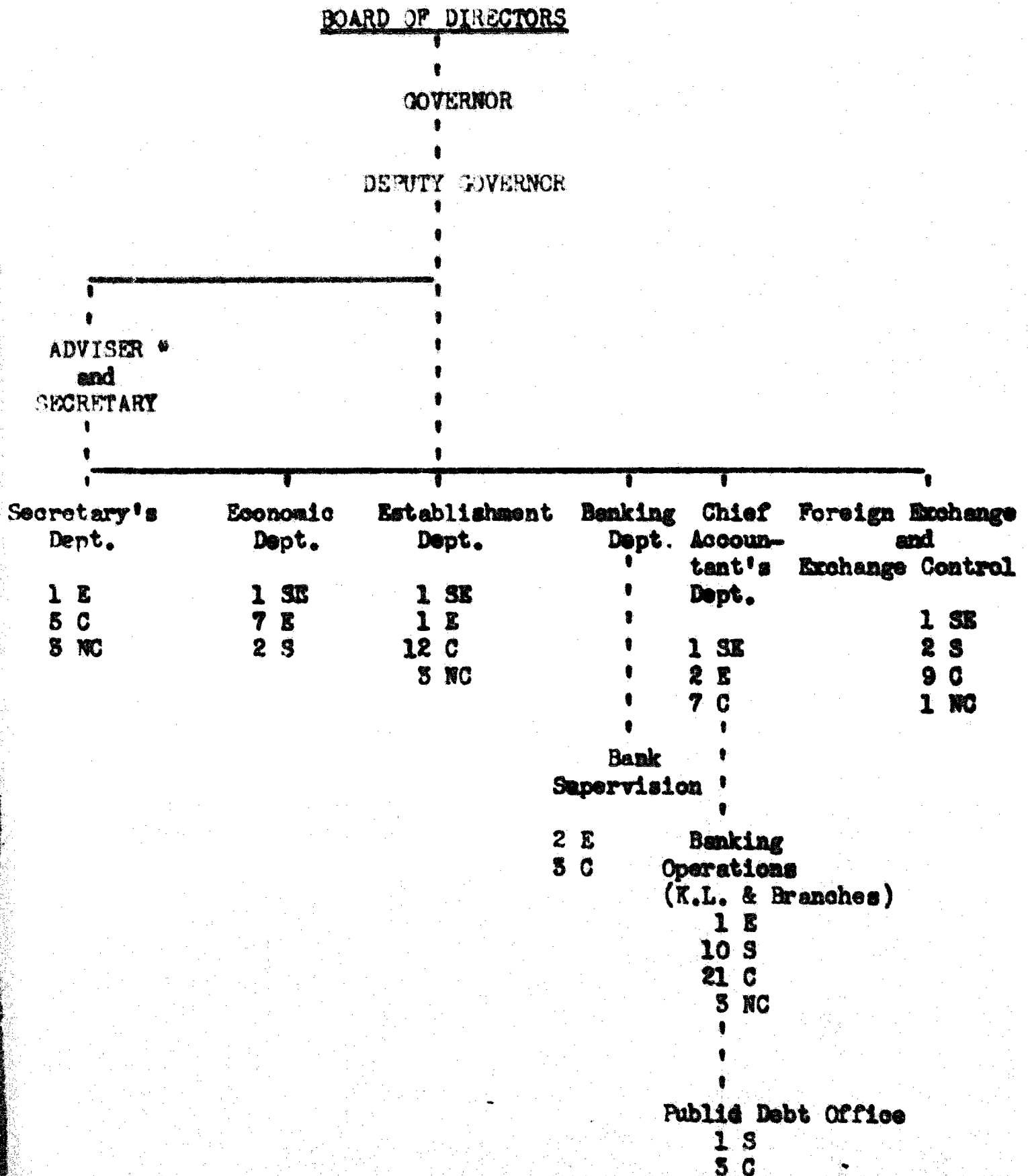
SE - Senior Executive Officer  
 E - Executive Officer  
 S - Supervisory Officer  
 C - Clerical Officers  
 NC - Non-Clerical Staff

In 1960 and 1961, due to development of the Bank and the assumption of new functions, various organisational changes were carried out. At that time the resulting departmental organisation was as set out in Chart 'B'. In 1962, the organisation underwent a further change when a new department, the Establishment Department, was set up to deal with personnel and premises matters as the result of increases in the number of staff following the extension of the Bank's functions, and the opening of a branch office in Penang. The opportunity was taken to review the entire organisation and the resulting structure is shown in Chart 'C'.

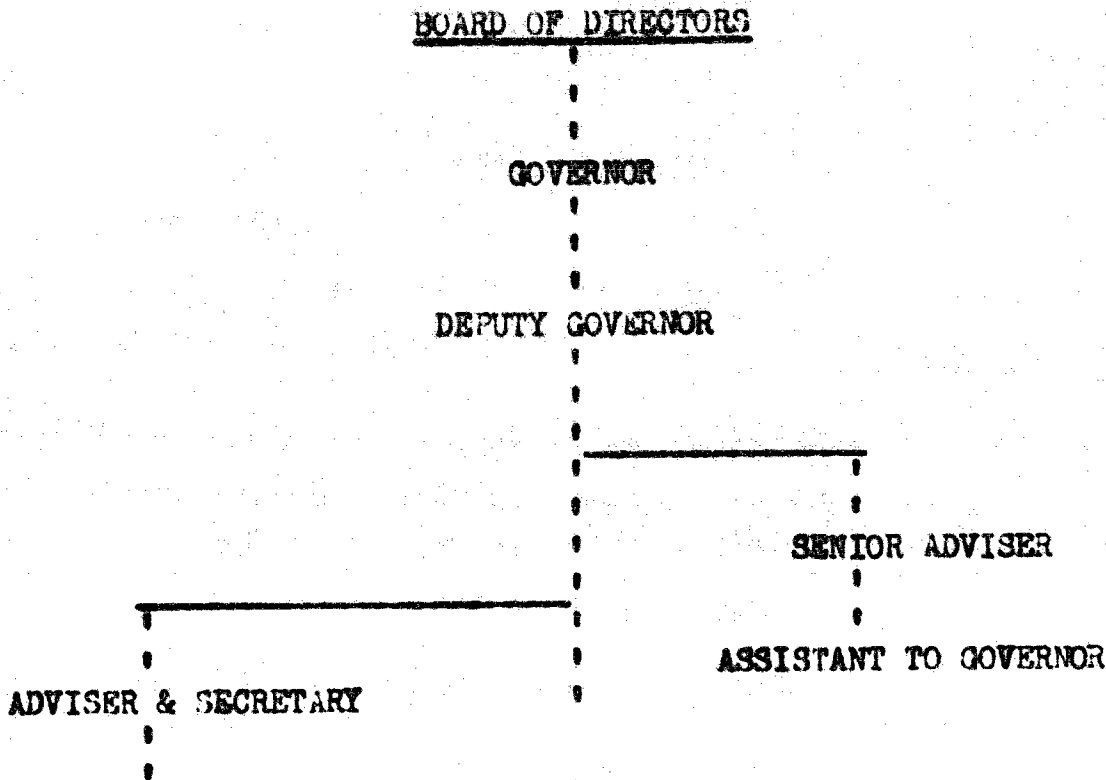
#### Brief duties and Functions of Departments in B.N.M.

1. Economic Department: Essentially a research department - carrying out research from Industrial to Agricultural projects and undertakings. Collection of statistics and deals with general economic conditions in the country.
2. Secretary's Department: Deals with affairs of the Bank as a whole, carries out general correspondents with outside organisations. Internally, it undertakes to attend to Board Meeting Papers.
3. Establishment Department: Responsible for Personnel services and premises and Security Section also comes under this Department. The Adviser and Secretary was one and the same man.
4. Banking Department: Connected with Bank supervision to see whether Banking Ordinance and other banking procedures are being observed.
5. Bank Supervision: Inspections of banks to see that the requirements of the Banking Ordinance are being observed.
6. Foreign Exchange; Exchange Control Dept.: Assisting the Governor over the question of Balance of Payment and Foreign Exchange. It also administers the Exchange Control Ordinance - buys and sells foreign currency.
7. Chief Accountant's Dept.: Responsible for Currency Board Transaction, internal audit, Capital issue, Branch operation, cheque printing, investments, accounts and estimates. It also take charge of floatation of Government Loan e.g. Defence Bond. Public Debt and Banking Operations are sections of Chief Accountant's Department.

BANK NEGARA TANAH MELAYU - ORGANISATION CHART - 1961

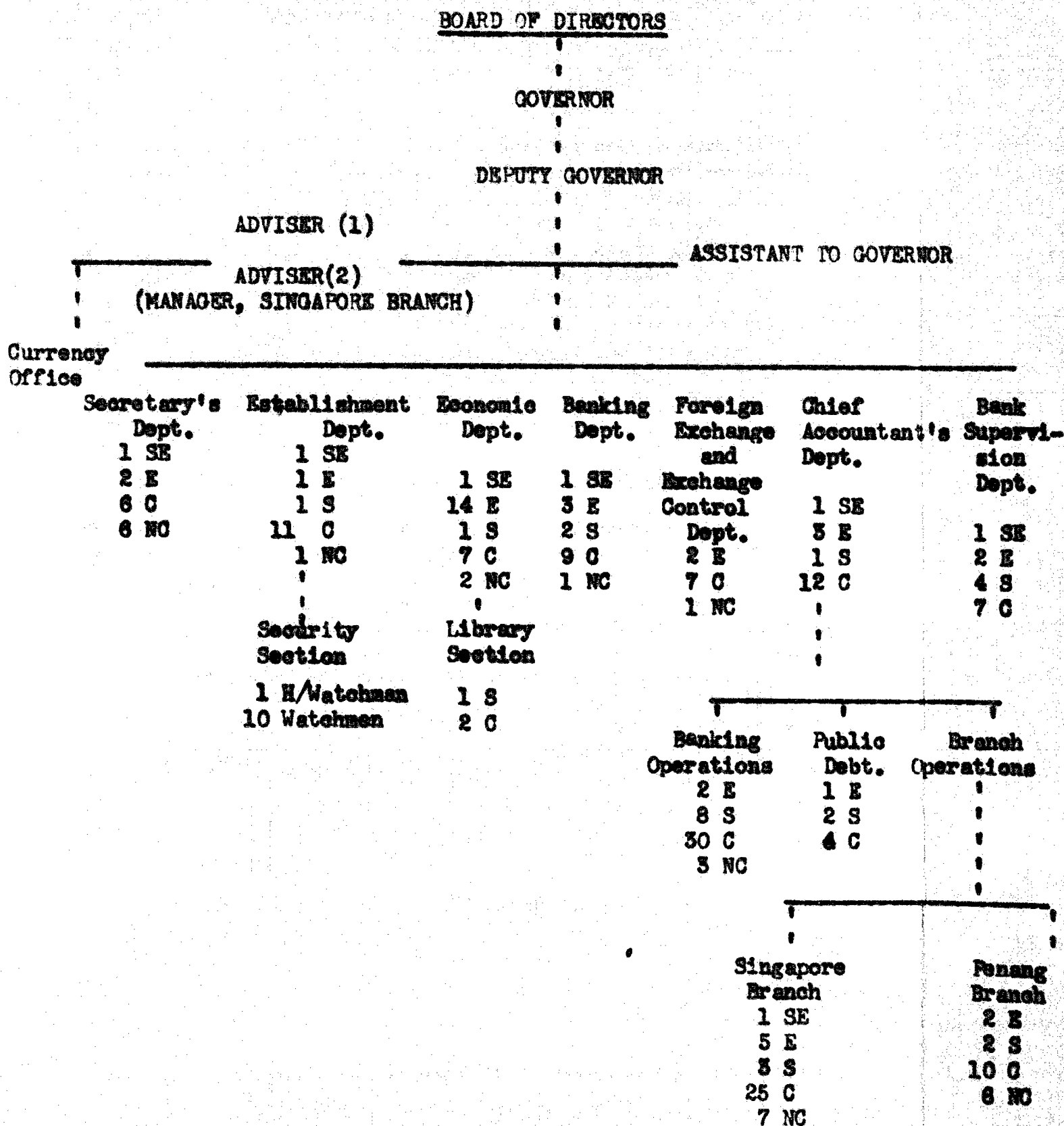


**BANK NEGARA TANAH MELAYU - ORGANISATION CHART - 1962**



Secretary's Dept.	Establishment Dept.	Economic Dept.	Banking Dept.	Foreign Exchange & Exchange Control Dept.	Chief Account- ant's Dept.
1 SE	1 SE	1 SE	1 SE		
1 E	1 E	8 E	2 E	1 E	1 SE
5 C	8 C	3 S	2 S	2 S	2 E
4 NC	1 NC	8 C	6 C	7 C	7 C
,	,	2 NC	1 NC	1 NC	,
,	,		,		,
Currency Office	Security Section		Bank Supervision Section	Banking Operations Section	Public Debt Section
	1 H/Watchman 10 Watchmen		1 E 2 S 3 C	1 E 11 S 21 C 4 NC	1 S 4 C
					3 E 2 S 8 C 5 NC

BANK NEGARA MALAYSIA - ORGANISATION CHART - 1964



In September 1963, a Branch office was established in Singapore and in April 1964, the Bank Supervision Section was made a full department. Present organisation of Bank Negara Malaysia is shown by Chart 'D'. This by no mean is the final organisation of Bank Negara Malaysia. As the tempo of our national development increases so will be the responsibility of the Bank and thus changes will also be necessary in its organisation and set-up.

Although each department carries out work of a particular nature, yet there are many instances where work must be handled by several departments in co-ordination with each other. Close liaison has therefore to be maintained between the various departments. A weekly meeting of Departmental Heads with the Governor, Deputy Governor and Advisers in Kuala Lumpur keeps Departmental Heads informed of current happenings and problems in the Bank. Each branch office sends a monthly report to the Governor dealing with activities of the branch and economic matters in the state in which the branch is situated. Branch offices are kept informed of activities of the Head Office by means of a monthly letter.

### 3. PERSONNEL POLICY IN GENERAL AND HOW IT IS DERIVED.

With the increasing emphasis upon the importance of people to the modern organisation, be it business or institutional, the problems of devising and implementing sound personnel policy takes on increasing significance as an instrument of business strategy. It is personnel policy that forms the tie which binds people to a particular organisation. The practical application of personnel policy may have the effect of accelerating or impeding organisation growth, stability and profitability in a substantial way. These general policies, with their sub-topics of wage policy, development and training, incentives, labour relations policy, benefits policy, selection, promotion and appraisal policies, comprise the official and tangible steps organisations take to manage this important investment - the human factors of production, labour.

George S. Ordiorne regards personnel policy as a simplification and logic-bringing instrument which assists in problem solving and decision making. It underlies the managerial control of personnel through thoughtful decision on specific areas regarding people and their work relationship.<sup>10</sup>

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10. G.S. Ordiorne, Personnel Policy; Issues and Practices  
Merrit: Charles E. Merril Books (U.S.A.) 1963.

THE NICB Study No.169 defines personnel policy as: "Written statements of an organisation's goals and intent concerning matters that affect people in the organisation. Policies are stated in broad, long-range terms that express or stem from the philosophy or beliefs of the organisation, top authority.<sup>11</sup>

The implication in this definition is that policy is concrete and specific in form. This may be true of a well-established organisation but not necessarily true of a new organisation such as Bank Negara Malaysia. Being in a rapid state of development, its personnel policy tends to develop and change as new problems and needs arise.

From a recent survey of companies conducted by the Bureau of Industrial Relations at the University of Michigan it was discovered that personnel policy is normally derived by any one of three methods:

- (1) It is made by a general management committee of the organisations which establishes all policies and considers personnel policy as merely one of many kinds of policies which it must consider
- (2) It is made by the individual decisions of executives who are presented with a problem and made a decision.
- (3) It is not consciously made at all, but emerge from the pattern of individual practices, actions, procedures, precedents, and solutions which, when viewed in retrospect, reveal a consistent or uniform pattern in the organisation structure. Its format is discovered through later study or periodic summarisation of such resources as board minutes, instruction manuals, letters of executives, training programmes, and stated views of the firm's senior officials.<sup>12</sup>

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11. National Industrial Conference Board, Studies in Personnel Policy No.169, New York.

12. G.S. Ordiorne, Personnel Policy: Issues and Practices Merrill, P.9.

In general it is found that management, when formulating personnel policy, do not consciously consider matters before they have become problems. They are only considered when they are proffered or float upward to the attention of the management. There is little evidence to show that management spend much of their time or effort in considering issues which may arise in the future. The emphasis is upon immediate need, the dispensing with questions which require an answer almost immediately, or the prevention of similar problems arising again in the future. For the most part, they are not concerned with visionary, ruminative, or theoretical problems. In the absence of some urgent motivation to consider an issue, personnel policy committees do not concern themselves with such issues.

In the case of Bank Negara Malaysia, its personnel policy is derived by all the three methods at one time or another. As a guiding principle it follows closely that of Government, but the Bank is not obliged to follow government's policy in any way. When the Bank was first established, most of the officers were on secondment from the Government and as such they were more familiar with Government's policy. Certain policy such as cost of living Allowance, identical with that of the Government. But in other matters, such as leave, housing allowances, pensions and loans, the Bank has examined the practices of the Government and other statutory bodies and evolved a policy comparable to the Government and other statutory bodies. In most cases the Bank tries to have a policy that is acceptable and beneficial to the staff in general.

In order that a medium should exist whereby the views of the Bank's staff may be brought to the attention of and be considered by the administration, the Bank/establishment, decided to form a on committee to be known as "Staff Committee" consisting of two members appointed by and representing the staff and two members representing the Bank with a Chairman appointed by the Governor. The early establishment of such proper line of communication would, it was hoped, contribute towards a general spirit of co-operation with and interest in the Bank amongst the staff.

Since its creation, the Staff Committee has <sup>played</sup> ~~plaid~~ a leading role in formulating personnel policy in the Bank. Before any important decision is taken by the Bank which concerns the staff, the matter is often referred to the Staff Committee first for discussion and their recommendation. If the committee reaches a unanimous decision, then they will forward their recommendation to the Governor for his final decision. But if the Committee disagree as to the line of action, then their individual views will still be heard by the Governor and the Staff representatives will submit a Minority Report to the Governor. Whatever the case may be the Governor has the final say and his decision is final.

Besides, the Staff Committee, the Bank also set-up adhoc committee from time to time to look into certain urgent matters. The composition of such committee will depend on the nature of the matter to be discussed.

Another common practice of the Bank in formulating its personnel policy is through case method. When any problem crops up in a department, the Head of Department will consider the case and then submit his recommendations to the Governor. In certain cases, the Governor may pass it on to the Staff Committee for review or he may decide the course of action himself. If the matter under consideration is very important, then the Governor may bring up the case to the Board of Directors for their consideration and final decision. But in cases where the Bank may be pressed for time and could not deal with a particular problem that might have cropped up, then the Bank would follow Government practice in tackling the problem. The Establishment Department would then send up a memorandum to the Governor for his consideration and approval.

The Staff Rules and conditions of service summarise the personnel policy of the Bank. It is written and is made known to all the staff. If any changes or new decision or rulings are made by the Bank, then the staff would be notified by Staff Circulars. This written policy has the quality of a contract. Although it may be argued that its consequent inflexibility may hamper the Bank in times of rapid change, but the same objection may be made with reference to the Central Bank Ordinance 1958, which regulates the functions of the Bank. Yet no one argues the necessity of a written ordinance. The same is true also of a personnel policy. The ordinance's necessity is legal while the policy's necessity is organisational. It gives guidance and direction on the aims of the Bank in its human relations. If a policy is soundly based on principle, its form and working will have some of the wide range which law gives to the Bank's Ordinance. It will remain operative even in the event of change. The procedures by which it is applied may be varied to meet different situations without alteration in either principle or policy. Thus it is with justification that the Bank's personnel policy is written. It is based on sound principle and weighted judgement. The policy is not formulated overnight but develops over time. What course of action or decision is taken with regard to any problem is recorded and form a precedent for future action. But by being written, it is not meant that the whole personnel policy is complete and in booklet or any printed form. It is meant that decisions and course of action, relating to personnel problems are recorded and can be referred to from time to time. They are also available and are known to the Staff. But of course, there are certain decisions regarding staff problems which may be highly confidential and are made available only to top management. This can be expected of any organisation and not peculiar to the Bank only.

An interesting point to note is that although the personnel policy and practice of the Bank follows closely that of the Government and other statutory bodies, the Bank has a saving clause in the "Staff Rules and Conditions of Employment" which states :-

"Employment conditions and salary scales and allowances for all staff of Bank Negara Malaysia will be as determined by the Board of Directors. The Board is in no way bound to accept or conform to any salary or wage structure or conditions of service which may exist or come into existence in any other service. 13"

Thus this clause will justify the Bank's actions should they diverge from the regular practice of the Government or statutory bodies in similar circumstances.

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13. Bank Negara Malaysia: Staff Rules and Conditions of Employment - P.1.

PART II - PERSONNEL POLICY AND PRACTICES1. Qualification requirements at various levels

The Staff of Bank Negara Malaysia is classified into five major groupings :

- |     |           |                    |
|-----|-----------|--------------------|
| (1) | Group 'A' | - Senior Executive |
| (2) | " 'B'     | - Executive        |
| (3) | " 'C'     | - Supervisory      |
| (4) | " 'C'     | - Clerical         |
| (5) | " 'C'     | - Non-clerical.    |

Although there are definite qualification requirements for the various appointments, the practical application of it in selecting suitable candidates varies at different levels depending on the particular needs of the Bank at the time. For selection of candidates to fill the senior executive and, to some extent, the executive posts, the qualification requirements are pretty rigid and in normal circumstances candidates will not be selected unless they satisfy the basic requirements or have exceptional experience. But in the case of selection of candidates for the supervisory and clerical groups, the required qualifications are not so rigidly adhered to, especially if appointments are made from within the Bank and not from without. In the non-clerical group there is no set academic qualification requirement. Recruitment is based on individual merits of the applicants.

Initially, the Bank's staff policy and practices followed very closely those adopted in the Government service. But as the Bank developed, staff recruitment was based increasingly on the immediate needs of the Bank. As such the Bank would normally consider the type of work that an officer would be required to perform and then decide on the necessary qualifications. Thus for the same appointment, the required qualification may be different, depending on which department requires the officer. For example, in July 1961, an Administrative Assistant was required for the Banking Operations Department. It was felt that the necessary qualifications would be :-

"Acceptable accountancy qualifications or Associateship of Institutes of Bankers. Previous experience in banking and sound knowledge of banking law and practice desirable.14"

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14. Advertisement in Straits Times on July 27, 1961.

But at present the necessary qualification for direct entry as Administrative Assistant is an Honours Degree from a recognised University or acceptable professional qualifications. Thus it is clear that qualification requirements, especially the academic, for appointments in the Bank are not rigid. There seems to be greater emphasis and recognition given to professional qualifications. In the Bank, requirements are based more on the nature and type of the particular job rather than on the general classification of the appointments as in most cases of Government service.

The Bank is anxious to provide the right people for the many administrative departments and branches. As far as possible whenever vacancies of classified posts occur, priority would be given to serving officers to fill up the posts. In the event of additional staff being required or vacancies occurring which require special qualifications that existing staff do not possess, the Bank will recruit from without. Because of the Bank's policy of encouraging the staff to better themselves, we find that a good number of the appointments in the Bank are Promotional Appointments, that is to say, the serving officers have been upgraded if they have proved their worth. Such Promotional Appointments can be found in the Senior Executive, Executive and Supervisory groups.

Closer study of qualification requirements at various levels is very appropriate at this juncture. I have classified the various appointments according to the five major groupings. The details of the appointments and the necessary qualifications for each group are given in the following schedules.

Appointments for the clerical and non-clerical groups have been classified into one schedule, that is schedule IV - as there are only four types of appointments in the non-clerical group, requiring no set academic qualifications. This analysis of appointments and qualifications is based on staff enrolment as at December 31, 1964.

SCHEDULE I. shows the appointments and qualifications for the Senior Executive of the Bank. In all there are seven Senior Executives and all of them have the necessary qualifications and experience to justify their appointments. Of the seven, the Adviser, Mr. Choi Siew Hong, the Manager, Singapore Branch, Mr. Hooi Kam Sui (who incidentally is also Adviser No.2 of the Bank) and the Acting Manager, Banking Department, Mr. Chee Chin Bok, have reached their present positions through promotion from within.

Mr. Choi Siew Hong joined the Bank as Secretary on December 1, 1958 and was promoted to Adviser on June 1, 1960. He is a First Class Honours Graduate in Economics from University of Malaya as well as a Fellow of the Economic Development Institute of Washington D.C.

Mr. Hood Kam Soei is also a First Class Honours Graduate in Economics from the University of Malaya. He joined the Bank as Manager, Banking Department on April 28, 1959 and was promoted to Manager, Singapore Branch on March 16, 1964,

Mr. Chee Chin Bok, an Honours Graduate of the University of Malaya, joined the Bank as Administrative Assistant on Sept. 1, 1962 and was made Acting Manager, Banking Department on March 30, 1964, and promoted to Manager in April, 1965.

The other four Senior Executives were direct recruitments from outside. The Chief Accountant, Mr. Chang Sew Khong, has been with the Bank since it was first established. He had wide experience in his field, being a senior partner in Sew Khong & Chong, a firm of Accountants, Auditors and Secretaries, before joining the Bank. He holds a Bachelor of Commerce degree from Melbourne University and is a member of the Australian Society of Accountants as well as Australian Institute of Cost Accountant.

At present, the post of Economist is vacant. It was formerly held by Mr. Siew Nim Chee, an Honours Graduate in Economics from University of Malaya and a Master of Science of Cornell University, U.S.A. He was a former lecturer in Economics in University of Malaya in Singapore and joined the Bank as Economist on January 1, 1959. He vacated his post on December 31, 1964 to join Esso Company,

The Secretary, Tuan Syed Adam Al'Jafri joined the Bank on November 25, 1963. He has strings of degrees to prove his academic capabilities and these includes a Bachelor of Arts (Honours) in English and Master of Arts (Teaching) from Yale University, and also Master of Science (Economics) from University of London. He was confirmed in his appointment on November 25, 1964,

The present Manager, Establishment Department, Inche Mohd. Yunus bin Abu Hanafiah, is a new-comer, to the Bank. When the former Manager, Y.M. Raja Khalid, left the Bank on June 13, 1964, the Bank was not able to get the proper man to fill the post from within. So applications were invited from without and Inche Mohd. Yunus was selected. He has wide experience in Personnel Management being the Transport Manager in City Council of George Town, Penang. He too has several degrees to his name and these includes Bachelor of Arts (Honours) in Geography from University of Malaya, Intermediate Examination from Chartered Institute of Secretaries, London and Associate Membership, Institute of Transport, London.

From the above, it is clear that all the Senior Executive Officers are highly qualified and be-fitting of the positions and responsibilities they are shouldering.

**SCHEDULE I**  
**APPOINTMENTS AND QUALIFICATIONS**  
**IN BANK NEGARA MALAYSIA AS AT 31ST**  
**(GROUP 'A' SENIOR EXECUTIVE)**

APPOINTMENTS	QUALIFICATIONS
1. Adviser	Outstanding academic qualifications in Economics to the position and capacity to organise and direct
2. Manager, Singapore Branch (16.3.64)	(Promotion Post)* Honours Degree in Economics or Arts and Part-Graduate Course in Education at University
3. Manager, Establishment Department	An Honours Degree from a recognised University Previous experience in administrative and personnel work
4. Manager, Banking Dept. (30.3.1964)	(Promotion Post) Honours Degree in Economics or Intermediate and final Section B Exams. Appointments from within
5. Economist	Outstanding academic qualifications in economics the Economic Research Dept. Experience in teaching of descriptive and analytical papers essential
6. Chief Accountant	University Honours Degree or an acceptable accounting experience preferably including banking accounting
7. Secretary	University Honours Degree preferably in Economics work necessary, experience in handling staff matters

(\*Promotion Post refers to appointment given is that of the present officer appointments from within.)

**SCHEDULE I**

**APPOINTMENTS AND QUALIFICATION REQUIREMENTS**  
**IN BANK NEGARA MALAYSIA AS AT 31ST DECEMBER, 1964**  
**GROUP 'A' SENIOR EXECUTIVE)**

**QUALIFICATION**

Qualifications in Economics with post-graduate  
ability to organise and direct the Economic

Degree in Economics from University of  
Course in Education at Raffles College -

recognised University or acceptable pro  
administrative and personnel work essenti

Degree in Economics from University of  
Section B Exams. Appointed as Administra

Qualifications in economics and be capable  
t. Experience in techniques of econom  
analytical papers essential.

or an acceptable accountancy qualific  
cluding banking accountancy.

preferably in Economics. Previous ex  
in handling staff matters also desir

refers to appointment from within. The  
the present officer occupying the pos  
within.)

**SCHEDULE I**

**APPOINTMENTS AND QUALIFICATION RE**  
**IN BANK NEGARA MALAYSIA AS AT 31ST DE**  
**(GROUP 'A' SENIOR EXECUTIVE)**

**QUALI**

ing academic qualifications in Economics w  
ition and capacity to organise and direc

Post)\* Honours Degree in Economics from  
Part-Graduate Course in Education at Raff

a Degree from a recognised University or  
experience in administrative and person

n Post) Honours Degree in Economics from  
ate and final Section B Exams. Appointed

ing academic qualifications in economics  
mic Research Dept. Experience in techn  
descriptive and analytical papers essenti

y Honours Degree or an acceptable account  
e preferably including banking account

y Honours Degree preferably in Economics.  
ssary, experience in handling staff matte

Promotion Post refers to appointment from  
given is that of the present officer occ  
appointments from within.)

**SCHEDULE I**

**APPOINTMENTS AND QUALIFICATION REQUIREMENTS**

**BANK NEGARA MALAYSIA AS AT 31ST DECEMBER, 1964**

**(GROUP 'A' SENIOR EXECUTIVE)**

QUALIFICATIONS	Total No. of Staff
Academic qualifications in Economics with post-graduate experience appropriate and capacity to organise and direct the Economic Department.	1
)* Honours Degree in Economics from University of Malaya 1952. Diploma in Graduate Course in Education at Raffles College - Manager B.D. 26.4.59.	1
Degree from a recognised University or acceptable professional qualification. Experience in administrative and personnel work essential.	1
t) Honours Degree in Economics from University of Malaya 1952. C.I.S. - and final Section B Exams. Appointed as Administrative Assistant on 12.7.62.	1
Academic qualifications in economics and be capable of organising and directing research Dept. Experience in techniques of economic research and the preparative and analytical papers essential.	1
Honours Degree or an acceptable accountancy qualification with practical preferably including banking accountancy.	1
Honours Degree preferably in Economics. Previous experience in Secretarial, experience in handling staff matters also desirable.	1
Promotion Post refers to appointment from within. The qualification is that of the present officer occupying the post) - these are appointments from within.)	

1972  
1974

FUNCTIONS	Total No. of Staff	No. of Staff with Req. Qual.
1-graduate experience appropriate Economic Department.	1	1
University of Malaya 1952. Diploma in Economics - Manager B.D. 26.4.59.	1	1
able professional qualification. essential.	1	1
University of Malaya 1952. C.I.S. - Administrative Assistant on 12.7.62.	1	1
capable of organising and directing economic research and the prepara-	1	1
qualification with practical	1	1
ous experience in Secretarial work desirable.	1	1
a. The qualification (the post) - these are		

SCHEDULE II shows the appointments and qualifications requirements for officers in Group 'B' (Executive). There are 15 appointments in this group, having a staff enrolment of 40 officers. Appointments for Senior Assistant Economist and Senior Administrative Assistant are promotional appointments from within. When an Assistant Economist or an Administrative Assistant reaches a salary scale of \$1020 x 40, he is normally classified as Senior Assistant Economist or Senior Administrative Assistant, as the case may be. At the end of 1964, there was no Senior Assistant Economist. But with effect from January 1965 three Assistant Economists were promoted. As for Senior Administrative Assistant, there was only one officer in that grade at the end of 1964. In January 1965 two were promoted.

Originally when the Bank first started, Mr. M.W. Himsworth was appointed Superintendent, Foreign Exchange. Exchange Control was then managed by the Treasury. In August 1961, the Bank took over the Exchange Control and Mr. J.S. Westwater, an official from the Bank of England, was seconded as Assistant Controller of Foreign Exchange. On January 15, 1962 Mr. Phua Kim Chuan was appointed as Assistant Superintendent, Foreign Exchange, since the volume of business in this sector was increasing and it was felt that the Superintendent should have an assistant. In February 1962, Mr. Himsworth left the service and Mr. Westwater was designated the post of Superintendent, Foreign Exchange as well. In March 1963 Mr. Westwater term of service came to an end and Mr. R.W. Marshall was seconded from Bank of England as Deputy Controller of Foreign Exchange. He is also being designated Superintendent of Foreign Exchange. Thus at the moment, the appointment of Superintendent of Foreign Exchange is left vacant and the Bank has not come to any decision yet with regard to this appointment. Most probably the post will be filled in accordance with the Bank's policy of promoting its own staff to the post.

Regarding the appointment of Assistant Secretary, the Bank advertised for such post when first established. On November 1968 Mr. Tan Hook Seng was recruited as Assistant Secretary. But it was felt that the need for an Assistant Secretary was not pressing and so he was appointed Assistant Chief Accountant. In November 1960 the Selection Committee considered the question of appointing an Assistant Secretary again. But again it was felt that there was no urgent need for such an appointment. However, various officers have been designated to assist the Secretary in his work. Normally these officers are recruited as Administrative Assistant and not as Assistant Secretaries. At the moment, Mr. Kandian Kandasamy, an Administrative Assistant, is assisting the Secretary. According to the Secretary, it is felt that the need for a full-time Assistant Secretary does not arise yet. But in due course, this may be necessary.

Of the 15 appointments in Group 'B' four of them, that is, Assistant Manager, Singapore Branch, Inspector Bank Supervision Department, Manager, Penang Branch and Assistant Chief Accountant, are promotional posts. This again clear proof of the Bank's policy of giving priority to their service officers for promotion.

Regarding the Currency Officer, there is no set qualification requirement. The present Currency Officer, Mr. Tan Guan Chuan, was formerly the Currency Officer with the Singapore Government. In July, 1962 the Head Office of the Currency Board was transferred to Kuala Lumpur. Mr. Tan Guan Chuan was then given retirement by the Singapore Government and was offered appointment by Bank Negara as Currency Officer on a three year contract. Although his present contract ends on July 1, 1966, most probably he will be offered to extend the contract for another short term.

Assistant Economists and Administrative Assistants form the bulk of officers in the Executive group. At the end of 1964, there were 18 Administrative Assistants and 14 Assistant Economists. Twelve of the Administrative Assistants entered the service direct as Administrative Assistants since they have the necessary qualifications. In fact three of them have extra academic qualifications to warrant their recruitments. of the remaining 6, 4 joined the Bank as Executive Cadets, one as Research Assistant and one as Library Assistant, though she has a Bachelor of Arts (Honours) in Economics, which could have enabled her to enter direct as Administrative Assistant. But at the time of her application the Bank was not recruiting any Administrative Assistant, and since she was anxious to join the Bank, she was willing to accept a lower post. However, it is interesting to note that after just five months, she was promoted to Administrative Assistant.

Although Schedule II shows that 6 Administrative Assistants have not got the minimum qualification requirements, it must be remembered, however, that they reached their present posts from lower grade. Though they may lack the academic qualification requirements, but they are rich in experience. As such it is wrong to jump to a conclusion that they should not be in such a post or that they have reached it by unfair means. In fact this is a good example to show that the Bank's policy towards qualification requirements is pretty flexible. It proves also that the bank is anxious to promote its serving officers to higher posts. Some of these officers, since recruitment, have gone on training courses or taken professional examinations which are useful and an asset to the Bank.

The qualification requirements for direct entry as Assistant Economist is a good Honours Degree in Economics. Of the 14 Assistant Economists at the end of 1964 only one has a Pass Degree and he entered the services as Research Assistant. Three of them have additional qualifications, one with a Doctor of Philosophy in Economics from Heidelberg University, one a Master of Arts in Economics from University of Malaya and the third has a Bachelor of Science and a Master of Science in Agricultural Economics. In recruiting Assistant Economists, the Bank is fairly rigid in its qualification requirements. Only candidates with good Honours Degree in Economics will be recruited, otherwise they will be recruited as Administrative Assistants, where other Honours Degree besides Economics are accepted. It is interesting to note that there is only one Assistant Economist who reached his post through promotion while there are 6 such cases in the Administrative Assistant group. I think this is because the Assistant Economists are engaged in research work which is highly specialised. As such only those of high calibre in that particular field will be in a position to carry out the work efficiently. The work of an Administrative Assistant is more of a general nature and as such it does not require specialised knowledge to carry it out.

These Executive Officers form a very important group in the Bank for they are directly responsible in carrying out the policies and practices of the Bank.

# APPOINTMENTS

# QUALIFICATIONS

1. Superintendent, Foreign Exchange.
2. Assistant Manager, Singapore Branch (19.3.64)
3. Inspector, Bank Supervision Dept. (1.12.62)
4. Superintendent, Banking Operations.
5. Manager, Penang Branch. Acting (21.3.63)
6. Assistant Superintendent, Foreign Exchange.
7. Currency Officer
8. Senior Administrative Assistant.
9. Senior Assistant Economist
10. Assistant Secretary
11. Assistant Chief Accountant (Acting 1.5.64)
12. Administrative Assistant
13. Assistant Economist

Post vacant - no decision made yet

(Promotion Post) Senior Cambridge. Final Exam of the Corporation of Singapore Penang Branch 1.3.61.

(Promotion Post) Senior Cambridge. University from George Toyler's Coach of Melbourne. Joined as Assistant to

Wide experience in banking at branch of banking law and practice, ability essential

(Promotion Post) H.S.C. Diploma in Part I and 3 subjects of Part II Exam Assistant Chief Accountant on 8.12.5

A sound knowledge of foreign exchange practice. Experience in foreign exchange bank desirable. Institute of Bankers

No set qualification. Present Office Singapore Government.

(Promotion Post) Qualifications similar Assistant.

Promotion Post - Qualifications similar

Honours Degree or Law Degree from a qualifications and preferably experience in management.

(Promotion Post) Associate member of in England and Wales. Associate member as A.A. on 26.12.61.

Acceptable accountancy qualification Bankers. Previous experience in banking law and practice desirable.  
OR An Honours Degree from a recognised qualifications.

Honours Degree from a recognised University Economic or statistical research and

**APPOINTMENTS AND QUALIFICATIONS  
IN BANK NEGARA MALAYSIA AS AT 31ST DECEMBER, 1964**

**(GROUP 'B')  
EXECUTIVE**

**Q U A L I F I C A T I O N S**

- no decision made yet with regard to qualification

Post) Senior Cambridge. General Commercial Certificate of the Corporation of Secretaries London. Joined as Acting Manager 1.3.61.

Post) Senior Cambridge. Matriculation for Arts from George Tolyar's Coaching College. Arts Course. Joined as Assistant to Inspector 11.1.60.

Experience in banking at branch executive level with sound knowledge of law and practice, ability and experience in staff management

Post) H.S.C. Diploma in accounting and Auditing. Passed 5 subjects of Part II Exam of Institute of Bankers. Joined as Chief Accountant on 8.12.58.

Sound knowledge of foreign exchange dealings and of banking law and practice. Experience in foreign exchange and bill work in a commercial bank. Institute of Bankers Qualification.

Qualification. Present Officer was former Currency Officer of Government.

Post) Qualifications similar to those for Administrative Officer

Post - Qualifications similar to those for Assistant Secretary

Post) Degree or Law Degree from a recognised University. Previous experience in secretarial work and preferably experience in secretarial work and staff management.

Post) Associate member of the Institute of Chartered Accountants in England and Wales. Associate member at Institute of Taxation. Joined 26.12.61.

Post) Sound accountancy qualifications or Associateship of Institute of Bankers. Previous experience in banking and sound knowledge of banking law and practice desirable. Bachelors Degree from a recognised University or acceptable professional qualifications.

Post) Degree from a recognised University, post-graduate experience in statistical research an advantage.

**SCHEDULE II  
APPOINTMENTS AND QUALIFICATION REQUIREMENTS  
IN BANK NEGARA MALAYSIA AS AT 31ST DECEMBER, 1964**

**(GROUP 'B')  
EXECUTIVE**

**Q U A L I F I C A T I O N S**

- no decision made yet with regard to qualification requirements

Post) Senior Cambridge. General Commercial Certificate of the Corporation of Secretaries London. Joined as Acting Manager 1.3.61.

Post) Senior Cambridge. Matriculation for Arts Course at Melbourne Coaching College. Arts Course at University. Joined as Assistant to Inspector 11.1.60.

Experience in banking at branch executive level with a sound knowledge of law and practice, ability and experience in staff management

Post) H.S.C. Diploma in accounting and Auditing. A.S.A. Passed 5 subjects of Part II Exam of Institute of Bankers. Joined as Chief Accountant on 8.12.58.

Sound knowledge of foreign exchange dealings and of banking law and practice. Experience in foreign exchange and bill work in a commercial bank. Institute of Bankers Qualification.

Qualification. Present Officer was former Currency Officer of Government.

Post) Qualifications similar to those for Administrative Officer

Post - Qualifications similar to those for Assistant Secretary

Post) Degree or Law Degree from a recognised University. Previous experience in secretarial work and preferably experience in secretarial work and staff management.

Post) Associate member of the Institute of Chartered Accountants in England and Wales. Associate member at Institute of Taxation. Joined 26.12.61.

Post) Sound accountancy qualifications or Associateship of Institute of Bankers. Previous experience in banking and sound knowledge of banking law and practice desirable. Bachelors Degree from a recognised University or acceptable professional qualifications.

Post) Degree from a recognised University, post-graduate experience in statistical research an advantage.

# REQUIREMENTS AND QUALIFICATION REQUIREMENTS NEGARA MALAYSIA AS AT 31ST DECEMBER, 1964

(GROUP 'B')  
 EXECUTIVE

REQUIREMENTS	Total No. of Staff	No. of Staff with Ess. Qual.	No. of Staff with Extra Qual.	
with regard to qualification requirements.	-	-	-	
General Commercial Certificate of Education. Secretaries London. Joined as Acting Manager,	1	1	-	
Matriculation for Arts Course at Melbourne Teaching College. Arts Course at University at to Inspector 11.1.60.	1	1	-	
high executive level with a sound knowledge of staff management	1	1	-	
in accounting and Auditing. A.S.A. Passed Exam of Institute of Bankers. Joined as 12.58.	1	1	-	
exchange dealings and of banking law and exchange and bill work in a commercial Bankers Qualification.	1	1	-	
officer was former Currency Officer of	1	1	-	
similar to those for Administrative	1	1	-	
similar to those for Assistant Economist.	-	-	-	
in a recognised University or the appropriate experience in secretarial work and staff	-	-	-	
member of the Institute of Chartered Accountants member at Institute of Taxation. Joined	1	1	-	
Associateship of Institute of in banking and sound knowledge of banking				
recognised University or acceptable professional	18	9	3	
University, post-graduate experience in in an advantage.	14	11	3	

	Total No. of Staff	No. of Staff with Bac. Qual.	No. of Staff with Extra Qual.	No. of Staff Without Min. Qual.
irements.	-	-	-	-
f Education. ing Manager,	1	1	-	-
, Melbourne iversity	1	1	-	-
nowledge cent	1	1	-	-
Passed ned as	1	1	-	-
nd cial	1	1	-	-
of	1	1	-	-
	1	1	-	-
mist.	-	-	-	-
ppropriate staff	-	-	-	-
countants Joined	1	1	-	-
of nking				
rofessional	18	9	3	6
nce in	14	11	3	-

SCHEDULE III shows the appointments and qualification requirements for Supervisory staff - Group 'C'. In all there are 19 appointments with a staff enrolment of 50. Of these 7 are promotional appointments. All the officers have the necessary qualifications to warrant their present appointments. In cases where they lack the academic qualifications, their appointments are justified by their long service or experience in their particular field. This is particularly true in cases of promotional appointments. Of the two Assistant Inspectors, one of them joined the Bank as Assistant to Inspector. Prior to joining the Bank, he had wide experience in commercial banking. After serving for two years as Assistant to Inspector, he was promoted to Assistant Inspector.

Most interesting development with regard to appointments and qualifications requirements in the Supervisory group is that of Executive Cadet. When the Bank was established in 1959, the qualification requirements for an Executive Cadet was a Pass Degree from a recognised University. The intention then was to provide the officer with a suitable on-the-job-training. But later on, in keeping with the Bank's policy of encouraging its officers to study banking and allied subjects in order that they may be able to serve the Bank better and to enhance their own promotional prospects, the Bank accepts professional qualifications such as Australian Institute of Bankers (A.I.B.) and Australian Society of Accountants (A.S.A.) for entry or promotion to Executive Cadet. Serving clerical officers who obtained such qualifications were promoted to Executive Cadets. Of the 13 Executive Cadets at the end of 1964, 4 were promoted from Clerical Officers, 6 entered the service with professional qualifications and 3 with a Pass Degree.

In September 1964, the staff committee reviewed the appointment of Executive Cadets again. Their recommendation was forwarded to the Governor for his consideration and approval. So the present policy of the Bank with regard to appointment of Executive Cadets is contained in Staff Circular No.17. Among other things, the circular reads:

"When considering the appointment of Executive Cadets, the Bank will include those officers with the necessary professional qualifications and where such qualifications are not an essential requisite, those officers with an outstanding record of service. It is stressed that as in other promotions, promotion to the position of Executive Cadet will generally be based on a combination of ability, length of service, salary and academic or professional qualifications, where they are considered necessary." 15

It is also stated that in future the Bank proposes to make appointments to the post of Executive Cadet from within the service, with the exception of graduates with Pass Degrees from recognised Universities who, in the main, will be appointed as Research Assistants. Only in exceptional cases where special qualifications or experience are necessary and where officers of the Bank do not possess such qualifications or experience, will appointments of Executive Cadets be made from outside the service. It is also stated that applicants with qualifications such as A.S.A. and A.I.B. will be appointed as Grade I or Grade II Clerical Officers in the timescale. This, I think will minimise to some extent the discontent of Pass Degree holders who feel that a Pass Degree is worth more than a A.S.A. or A.I.B. and as such they should not be placed on the same status and salary scale on recruitment.

The appointment of Assistant to Inspector is left vacant at the moment. This post was created when two officers from the Reserve Bank of India came in 1959 to help to organise the Bank Supervision Department. Since then both have been promoted to Assistant Inspector. The Bank is still indecisive with regard to this post. But in the near future there is an intention by the Department to review the position and most probably the post will be abolished.

The Bank's Library Assistant is at the moment on study leave, undergoing a Librarianship course with the Bank of England. For the time being, an Administrative Assistant is designated to carry on the job.

The qualification requirements in the Supervisory group is fairly flexible. Great emphasis is placed on professional qualifications, training and experience. In the main, the officers in this category have every chance for promotion to appointments in the Executive group. There is no restriction or discrimination by the Bank on any of its staff for promotion. If any officer has not been promoted after serving the Bank for a certain length of time, it is just a reflection of the individual's inefficiency and incapability.

# APPOINTMENTS

# Q U A L I F I C A T I

1. Assistant Inspector
2. Asst. Superintendent,  
Banking Operations
3. Accountant, Singapore.
4. Accountant, Penang.
5. Chief Cashier
6. Assistant Inspector,  
Bank Supervision Dept.
7. Chief Examiner
8. Authorising Officer
9. Examiner
10. Examiner/Authorising  
Officer, Penang Branch.
11. Executive Cadet
12. Library Assistant
13. Research Assistant
14. Personal Assistant to  
Governor.
15. Personal Assistant to  
Deputy Governor.

- (i) University Degree in Economics
- (ii) Diploma of the Institute of Bank
- (iii) Accountancy or other Professional

(Promotion Post - Acting) B.Com. Degree  
Administration in Econ.

(Promotion Post) London Chamber of Com  
certificate. Appointed Chief Examiner  
1.11.65.

(Promotion Post) Oversea School Certif  
Authorising Officer 16.12.59, acting A  
Accountant on 1.4.63.

Previous experience in the control of  
Previous banking service desirable.

Wide experience in commercial banking  
knowledge of banking law and practice.

Previous experience in a similar work  
of banking law and practice.

Previous experience in banking and a  
practice.

Previous experience in banking and a  
practice.

(Promotion Post) Senior Cambridge 1st  
Secretarial Practice and theory of Com  
Acct. in Perth.

Pass Degree from a recognised Univers  
or statistical work or in banking an

B.A. Degree from a recognised Univers

Pass Degree from a recognised Univers  
economics or statistical work desirabl

Super scale stenographers or very senio

Super scale stenographers or very senio

# AL I F I C A T I O N

ree in Economics or Commerce, or  
Institute of Bankers or  
other Professional qualifications.

(ing) B.Cs. Degree in Economics. A Diploma  
a.

don Chamber of Commerce - Book keeping and  
ed Chief Examiner 1.12.58. Promoted to Acc

sea School Certificate. Appointed as Exam  
6.12.58, acting Accountant 11.7.61. Promot

n the control of cash and cashiers essential  
ice desirable.

mercial banking up to branch executive level  
law and practice.

n a similar work in banking and a sound gen  
practice.

n banking and a sound general knowledge of

n banking and a sound general knowledge of

or Cambridge 1st class passes in Book-keep  
and theory of Commerce of Pitman's Examinat

ecognised University; post-graduate experie  
or in banking an advantage.

ecognised University or Librarian qualificat

ecognised University, post-graduate experie  
ical work desirable.

hers or very senior stenographers with exper

phers or very senior stenographers with exp

# I O N

or Commerce, or  
ankers or  
al qualifications.

ee in Economics. A Diploma in Public

ommerce - Book keeping and accounting  
r 1.12.58. Promoted to Accountant on

ificate. Appointed as Examiner 1.12.58  
Accountant 11.7.61. Promoted to

cash and cashiers essential.

g up to branch executive level with a s

k in banking and a sound general knowle

sound general knowledge of banking law

sound general knowledge of banking law

t class passes in Book-keeping Intern  
ommerce of Pitman's Examination Diplo

sity; post-graduate experience in econ  
advantage.

sity or Librarian qualification.

sity, post-graduate experience in  
ble.

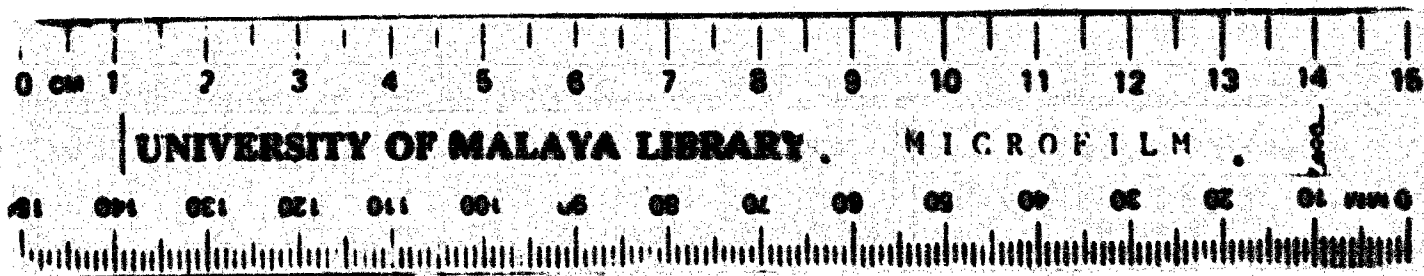
ior stenographers with experience.

enior stenographers with experience.

	Total No. of Staff	No. of Staff with requi- red quali- fication	No. of Staff with extra qualifica- tion
merces, or or qualifications.	2	2	-
economics. A Diploma in Public	1	1	-
e - Book keeping and accounting .58. Promoted to Accountant on	1	1	-
. Appointed as Examiner 1.12.58. tant 11.7.61. Promoted to	1	1	-
and cashiers essential.	1	1	-
branch executive level with a sound	-	-	-
anking and a sound general knowledge	1	1	-
general knowledge of banking law and	1	1	-
general knowledge of banking law and	-	-	-
s passes in Book-keeping Intermediate e of Pitman's Examination Diploma in	1	1	-
post-graduate experience in economics tage.	13	13	-
r Librarian qualification.	-	-	-
post-graduate experience in	1	1	-
enographers with experience.	1	1	-
stenographers with experience.	1	1	-

Total No. of Staff	No. of Staff with requi- red quali- fication	No. of Staff with extra qualifica- tion	No. of Staff without min. qualifi- cation
2	2	-	-
1	1	-	-
1	1	-	-
1	1	-	-
1	1	-	-
-	-	-	-
1	1	-	-
1	1	-	-
-	-	-	-
1	1	-	-
18	18	-	-
-	-	-	-
1	1	-	-
1	1	-	-
1	1	-	-

APPOINTMENTS	QUALIFICATIONS
16. Assistant Chief Cashier	(Promotion Post) Senior Cambridge. Joint Cashier 1.7.61 and Asst. Chief Cashier
17. Cashier, Penang Branch.	(Promotion Post) Cambridge School Certificate Assistant Cashier on 15.12.58 and promotion
18. Assistant Examiner	(Promotion Post) Senior Cambridge. Joint promoted to Asst. Examiner on 1.7.61.
19. Assistant Cashier	Previous experience in Cashier's duties. Knowledge of banking law and practice



# QUALIFICATIONS

(st) Senior Cambridge. Joined as Shroff  
and Asst. Chief Cashier 24.2.64.

(st) Cambridge School Certificate. Joined  
Cashier on 15.12.58 and promoted to Cashier

(st) Senior Cambridge. Joined as clerk  
Asst. Examiner on 1.7.61.

Experience in Cashier's duties, preferably in  
banking law and practice an advantage.

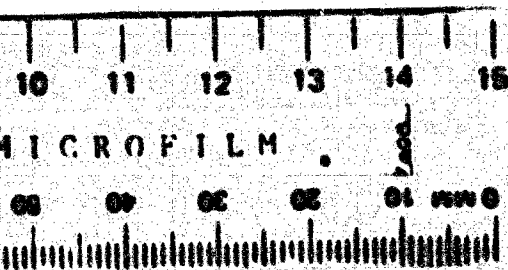
# QUALIFICATIONS

Joined as Shroff 15.2.58.  
Cashier 24.2.64.

Certificate. Joined Bank as  
promoted to Cashier on 1.5.64.

Joined as clerk on 1.12.58 and  
61.

Duties, preferably in Banking.  
Practice an advantage.



	Total No. of Staff	No. of Staff with requi- red qual.	No. of Staff with extra qualification	No. of Staff without min. qualification
	2	2	-	-
	1	1	-	-
	1	1	-	-
	1	1	-	-

SCHEDULE IV shows appointments and qualification requirements for staff in Group 'C' - the Clerical and Non-Clerical groups. There are eight appointments in the clerical group with total staff enrolment of 142, of which 96 are clerical officers. In the non-clerical group there are 4 appointments with staff enrolment of 32. There is no fixed academic qualification requirements in the non-clerical group. To be a watchman, he must have experience in Police Force or the Army. To be a driver he must have a current driving licence and clean driving record. In the case of office-boy, the requirement is slightly different. No advertisement is made in the local papers or elsewhere and interested <sup>applicants</sup> appointments normally apply at their own initiative. Each applicant is considered on his own merits and preference is given to those with a knowledge of English and Malay. Of the 19 office-boys at the end of 1964 only 11 did not have the present qualification requirements<sup>16</sup>. But all of them have some knowledge of English and Malay.

If one is interested in locating the fairer-sex of the Bank, then Group 'C' (Clerical) is the place to look for them. With the exception of appointment for Clerical Officers, all the other appointments in this group are held by women. It seems to be the practice of the Bank to recruit as few women as possible. To my mind they are rather uneconomical as a factor of production due to their numerous peculiarities such as periodic leaves and maternity leaves. Incidentally, once they are employed, they are treated equally with men with regard to salary and allowances.

All the female staff have the necessary qualifications, in fact, four of the Junior Stenographers have more than just the minimum requirements and six of the Machinists have School Certificate.

There has been interesting development and changes with regard to appointment for clerical officers. When the Bank was first started, this appointment was classified as "Clerks", and the qualification requirements were:

"Oversea School Certificate or equivalent with a credit in English. Good clerical ability is essential. Previous experience in Banking would be an advantage and will be given full consideration in determining commencing salary".<sup>17</sup>

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16. This "present qualification requirements" is suggested by Mr. Wong Weng Fatt, an Administrative Assistant in the Establishment Dept., who is in charge of training and personnel services.

17. Advertisement in the Singapore Tiger Standard on Saturday 6th September, 1958.

APPOINTMENTS	QUALIFICATION
<ol style="list-style-type: none"> <li>1. Clerical Officer</li> <li>2. Stenographers</li> <li>3. Registry Assistant</li> <li>4. Junior Stenographers</li> <li>5. Senior Machinist</li> <li>6. Telephone Operator</li> <li>7. Machinist</li> <li>8. Typist</li> <li>9. Head-watchman</li> <li>10. Driver</li> <li>11. Watchman</li> <li>12. Office Boy</li> </ol>	<p>School Certificate or F.M.C. with credits in Mathematics and two other subjects.</p> <p>School Certificate or equivalent with a credit of writing shorthand at 100 w.p.m. and transcription by typewriter at 25 w.p.m. together with ability to balance sheets and statements from manuscript. Previous experience in secretarial duties desirable.</p> <p>Knowledge of filing system and same knowledge.</p> <p>School Certificate or equivalent with a credit in writing shorthand at 80 w.p.m. and transcription at 25 w.p.m. together with ability to neatly set statements from manuscript drafts. Previous experience in secretarial duties desirable. Preference will be given to those with previous experience.</p> <p>(Promotion Post) Senior Cambridge. Joined in 1958. Promoted to Senior Machinist on 1st January 1959.</p> <p>Lower School Certificate. Only those with credit in English will be considered.</p> <p>Lower School Certificate or equivalent. Previous experience in machine operation is desirable but successful completion of a full training course at commencement.</p> <p>At least pass Form IV. Required to type at 40 w.p.m. with not more than 4% errors.</p> <p>Police Pensioner</p> <p>Qualified driver with a good record.</p> <p>Police Pensioner</p> <p>Pass Standard VI in Malay School and at least 50% in English.</p>

APPOINTMENTS	QUALIFICATION
1. Clerical Officer	School Certificate or F.M.C. with credits in Mathematics and two other subjects.
2. Stenographers	School Certificate or equivalent with a credit of writing shorthand at 100 w.p.m. and transcription by typewriter at 25 w.p.m. together with ability to balance sheets and statements from manuscript experience in secretarial duties desirable.
3. Registry Assistant	Knowledge of filing system and some knowledge of shorthand.
4. Junior Stenographers	School Certificate or equivalent with a credit in writing shorthand at 80 w.p.m. and transcription at 25 w.p.m. together with ability to neatly set out statements from manuscript drafts. Previous experience in secretarial duties desirable. Preference will be given to those with shorthand certificates.
5. Senior Machinist	(Promotion Post) Senior Cambridge. Joined service in 1958. Promoted to Senior Machinist on 1st September 1960.
6. Telephone Operator	Lower School Certificate. Only those with a credit in shorthand will be considered.
7. Machinist	Lower School Certificate or equivalent. Previous experience in machine operation is desirable but successful completion of a full training course at commencement.
8. Typist	At least pass Form IV. Required to type at 25 w.p.m. with not more than 4% errors.
9. Head-watchman	Police Pensioner
10. Driver	Qualified driver with a good record.
11. Watchman	Police Pensioner
12. Office Boy	Pass Standard VI in Malay School and at least 50% in English.

**SCHEDULE IV**  
**SCHEDULE OF APPOINTMENTS AND QUALIFICATIONS**  
**MALAYSIA AS AT 31ST DECEMBER 1963**  
**(GROUP 'C' - CLERICAL AND NON-CLERICAL)**

**QUALIFICATIONS**

or F.M.C. with credits in English or Malay or other subjects.

or equivalent with a credit in English. and at 100 w.p.m. and transcribing shorthand at 80 w.p.m. together with ability to neatly set out statements from manuscript drafts. Previous secretarial duties desirable.

system and some knowledge of typing and

or equivalent with a credit in English. at 80 w.p.m. and transcribing notes by typewriter with ability to neatly set out balance sheets from manuscript drafts. Previous experience in secretarial duties. Preference will be given to unmarried women.

Senior Cambridge. Joined as Machinist on 1st September, 1963.

icate. Only those with P.B.X. switch board

icate or equivalent. Previous experience in accounting is desirable but successful applicants will be given preference at commencement.

IV. Required to type at 40 w.p.m. from printed documents with 4% errors.

with a good record.

in Malay School and at least Form II in English School.

**SCHEDULE IV**  
**APPOINTMENTS AND QUALIFICATIONS IN BANK NEPA**  
**IA AS AT 31ST DECEMBER, 1964**  
**(GROUP 'C' - CLERICAL AND NON-CLERICAL)**

**TIONS**

redits in English or Malay,

a credit in English. Capable of transcribing shorthand notes with ability to neatly set out manuscript drafts. Previous secretarial duties desirable.

knowledge of typing and clerical duties.

a credit in English. Capable of transcribing notes by typewriter at 80 w.p.m. and neatly set out balance sheets and statements from manuscript drafts. Previous experience in secretarial duties. Preference will be given to unmarried women.

Joined as Machinist on 8th December, 1963.

with P.B.X. switch board experience

nt. Previous experience in accounting is desirable but successful applicants will be given preference at commencement.

type at 40 w.p.m. from printed documents

d at least Form II in English School.

**SCHEDULE IV**  
**REQUIREMENTS AND QUALIFICATIONS IN BANK NEGARA**  
**31ST DECEMBER, 1964**  
**(CLERICAL AND NON-CLERICAL)**

	Total Number of staff	No. of staff with requi- red quali- fication.	No. of staff with extra qualification	No. of staff with Min. quali- fication
English or Malay,	96	70	17	
in English. Capable of taking shorthand notes and to neatly set out drafts. Previous	4	4	-	
of typing and clerical duties.	1	-	-	
in English. Capable of taking notes by typewriter at least 40 words per minute and experience in secretarial duties of unmarried women.	16	12	4	
Machinist on 8th December, 1963.	1	1	-	
.X. switch board experience	2	2	-	
ous experience in accounting applicants will be given a	15	7	6	
0 w.p.m. from printed documents	9	9	-	
	1	1	-	
	2	2	-	
	10	10	-	
Form II in English School.	19	11	-	

	Total Number of staff	No. of staff with requi- red quali- fication.	No. of staff with extra qualification	No. of staff without Min. qualifi- cation.
	96	70	17	9
	4	4	-	-
ies.	1	-	-	-
	16	12	4	-
	1	1	-	-
os	2	2	-	-
ing a	13	7	6	-
uments	9	9	-	-
	1	1	-	-
	2	2	-	-
	10	10	-	-
L.	19	11	-	8

The above qualification was felt necessary since the Bank was new and in no position to train their own clerks yet. So only experienced clerks were to be recruited, particularly those with banking experience. The salary scale offered then was \$160 x 10 - \$180/200 x 15 - \$440 x 15 - \$550, but the point of entry depended on individual cases, determined by their qualifications and experience.

In May 1959 the emphasis was for young men and the appointment was accordingly advertised as Junior Clerks. The qualification requirements were:

"Oversea School Certificate (at least Division II) or equivalent with credits in at least 3 subjects including Mathematics and a language. Preference will be given to young men who have just left school. Applicants must not be over 21 years of age as at January 1, 1959" 18. The Bank felt that it was better to train their own clerical officers instead of just relying on trained officers, where the supply was rather limited. The salary scale and allowances offered were similar to previous appointments.

In November 1960, there was further recruitment for Clerical Officers. The trend now shifted back to experienced officers, since they were to be recruited for the new branch of the Bank in Penang. At the same time applicants were also invited for junior clerks, the aim being to recruit as many clerks as possible so as to have a reserve in case of resignations and expansion requirements.

In March 1961, an attempt was made to attract young Malays into the Bank. Instead of clerk or junior clerks, the appointment was called "Junior Officers" and a boxed in advertisement with a thick line to give it more prominence, appeared in all the local press. It read:

"TO MALAY YOUNG MEN SEEKING A BANKING CAREER"  
Bank Negara Tanah Melayu has vacancies for appointment as Junior Officers open particularly to Malay young men who have passed the Oversea School Certificate examination".19

The pay scheme was similar to previous appointments. The response was good and a number of Malays were recruited.

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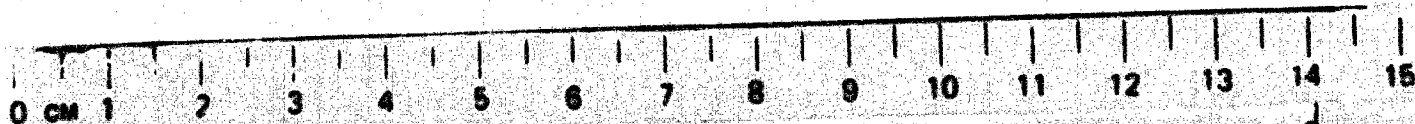
18. Straits Times, Friday, May 1, 1959.

19. Straits Times, March 25, 1961.

The final change regarding appointment and qualification requirements of clerical officers took place with effect from October 1962. With effect from that date, all officers who had been recruited as clerks, junior clerk or junior officers, would be for Clerical Officers only, with minimum qualification of School Certificate or equivalent with credit in English or Malay, plus credit in Mathematics, plus two other credits. No change was made with regard to the salary scale. This policy is still in force today.

At the end of 1964, there were 96 Clerical Officers. Of these 17 have extra qualifications such as full Higher School Certificate or professional qualifications. Only 9 have not got the minimum qualification requirement, but they were recruited because of their long service and experience. The average age of these 9 experienced officers are 31 years, while the other clerical officers range in age from 18 to 25 years.

It is the policy of the Bank to recruit as many Malays as possible, and it is in this clerical and non-clerical groups that this policy is pursued with vigour and liberally implemented. This may be due to the fact that the supply for this category of personnel is abundant, while the supply in the Supervisory and executive groups is rather limited, since most of the Malay elite prefer to be in Government Service.



## 2. RECRUITMENT POLICY AND PROCEDURE

### (a) Recruitment Policy

The recruitment or employment policy of any organisation describes the intentions or objectives of that organisation on the question of staffing. It may be the declared policy of the management to "find the best man for the job" or seek to "fill all jobs with those having the best possible qualifications"<sup>20</sup>. This may be assumed to represent the general recruitment policy of the management. But to be useful and meaningful as a guide for any recruitment programme, the policy must be explicit and specific and also flexible. On this point Bank Negara Malaysia has a general recruitment policy which is geared to meet its professional and administrative requirements, as well as meeting the political needs of the country.

The Bank's recruitment policy is flexible and this has enabled the Bank to recruit the right type of personnel at different stages of its development. For instance, it was the policy to recruit experienced officers when the Bank was first established, for it was felt that to run a Central Bank it was necessary to have trained men to do it. But the supply of such officers were limited and so the Bank decided to recruit even those with no banking experience and train them.

Generally, it is the policy of the Bank to recruit the right man with the right qualification for the right job. But this is rather idealistic and quite difficult to implement in Malaysia, since the country is generally short of qualified men in virtually every field of business, particularly in banking. As such, the Bank decided that as long as the minimum qualification requirements are satisfied due consideration for appointment would be given.

The criteria for selection of a candidate is based on qualification, personality, initiative, relevant experience, character and aptitude. These qualities are usually brought out in the application forms, testimonials and during interviews. However, not much emphasis is given to testimonials, because in the final analysis, the candidate performance before the Selection Committee is the deciding factor. At the same time, to keep in line with the Government's policy of encouraging more Malays to participate in business and other commercial undertaking, preference is given to Malays with the required qualifications for employment in the Bank.

An assessment of staff position is made annually on the basis of estimates of requirements submitted by the various departments

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20. Dale Yorder: Personnel Principles and Practices.  
Maruzen, Practice Hall, 1959. P.217.

of the Bank taking into consideration the increasing responsibilities and activities of the Bank and the actual number of replacement required as a result of resignation of existing staff members. This exercise is undertaken by the Establishment Department and discussed at one of the Senior Executive meetings which is held weekly. In order to facilitate accurate and effective assessment, the Establishment Department carries out a programme of analysing and evaluating the staff requirements of the various departments of the Bank. In order to achieve this, various Heads of Departments are requested to submit returns periodically giving details of the major functions and duties of various officers in their departments. On the basis of informations available, the Establishment Department makes a review of the staff position and an assessment regarding the needs for additional staff.

A report of the staff position and requirements of the Bank would then be submitted to the Governor and Deputy Governor for their consideration and approval. The approval report would then form the general recruitment policy of the Bank for the year. In the course of the year, the progress of the recruitment policy is reviewed, and where necessary, adjustments would be made.

As a matter of policy appointment to any vacant post in the Bank would normally be made from among officers already in the service of the Bank. But if no officer is considered suitable for such promotion, the vacancy would be advertised in the Press and applications for it would be called. Normally the Bank would carry out its staff recruitment for the year in March or April, just after the announcement of the results of the School Certificate, Higher School Certificate and University examinations.

Once applications, in response to the Bank's advertisements for appointments, have been received, the Establishment Department would then carry out the normal procedure of processing, analysing and short-listing the applicants. The short-listing is based on the qualifications and experience of the applicant as stated in the application forms. The short-listing applicants would then be called for interview in accordance with the procedure approved by the Board of Directors.

(b) Procedure for appointments and promotions

(i) Appointments of Board of Directors, Governor and Deputy Governor

The appointment of Board of Directors, Governor and Deputy Governor is provided for and governed by the Central Bank Ordinance 1959. For Board of Directors, the provision is made in Section 8 of the Ordinance which states:

"There shall be a Board of Directors constituted as provided in this section, which shall be responsible for the policy and general administration of the affairs and business of the Bank."

The Board of Directors of the Bank shall consist of:-

- (a) the Governor
- (b) the Deputy Governor and
- (c) five Directors appointed under Section 10" 21

Among other things Section 10 of the Ordinance states that the five Directors shall be appointed by the Yang di-Pertuan Agong.

As for the appointments of Governor and Deputy Governor, it is provided for and governed by Section 9 of the Ordinance:

- "(1) The Governor and Deputy Governor shall be appointed by the Yang di-Pertuan Agong
- (2) The Governor and Deputy Governor shall each be appointed for a term not exceeding five years and shall be eligible for re-appointment.
- (3) The Governor and Deputy Governor shall devote the whole of their professional time to the service of the Bank and while holding office shall not occupy any other office or employment whether remunerated or not....." 22

In practice, the appointment of Governor and Deputy Governor is done by the Cabinet. The Minister of Finance would make a list of the likely candidates and the list is then presented to the Cabinet for consideration. Once the Cabinet has reached an agreement, the Prime Minister would then advise the Yang di-Pertuan Agong of the Cabinet's decision and seek his formal approval.

As for the appointment of members of the Board of Directors, the Minister of Finance, on the recommendation of the Governor, would submit a list of likely candidates to the Cabinet for consideration. The rest of the procedure is identical with that of appointment of Governor and Deputy Governor.

(11) Procedure for appointment and promotion of the Staff

At its 3rd meeting held on March 25, 1959 the Board of Directors approved the memorandum on the procedure for appointment

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21. Central Bank of Malaya Ordinance 1958. Part II - Section 8

22. Central Bank of Malaya Ordinance, 1958. Part II - Section 9.

of the staff of the Bank submitted by the Secretary's Department.<sup>23</sup> The memorandum as approved by the Board stated that for the purpose of promotions and appointments, the positions in the service of the Bank will be dealt with in three separate groups based on basic salary:-

- A. The most senior positions in the service i.e. Economic Adviser, Manager Banking Department, Chief Accountant, Secretary and other Heads of Departments with minimum salary of \$1,400 per annum.
- B. Intermediate positions - this group comprises those positions carrying salary ranges with a minimum of \$1,260/- per month and above.
- C. Junior positions, being those positions carrying salary ranges with a maximum of less than \$1,260/- per month.

Promotions and appointments in Group A and B would be submitted to the Board of consideration before being implemented. For Group C it would be approved by the Governor without reference to the Board.

The procedure to be followed in the consideration of appointments and promotions as follows:-

#### GROUP A

Promotions or appointments to the most senior positions in the service would be considered personally by the Governor in consultation with the Deputy Governor and recommendations submitted to the Board.

#### GROUP B

For the time being, promotions in Group B would be considered by a Committee consisting of the Deputy Governor (Chairman), Chief Accountant and Assistant to the Governor. If the Committee felt that there was no officer in the service capable of promotion to any vacancy, they would advise the Governor accordingly. The policy would then be to advertise the position publicly. The applications received would be reviewed by the Committee and recommendations made to the Governor for submission to the Board.

## GROUP C

Appointments and promotions would be dealt with by the Governor on the recommendations of a Committee consisting of for the time being, the Chief Accountant, in his absence, the Secretary, the Assistant Superintendent Banking Operations and the Assistant to the Governor.

If vacancies could not be filled from within the service the general policy would be to call publicly for applications. It was also agreed by the Board that officers in Groups A and B should not be dismissed without prior reference to the Board, but that the Governor is free to suspend an officer should he deem it necessary.

Except for minor changes from time to time in the composition of the selection Committee, as some of the designated officers were unable to be present for one reason or another, the procedure for appointments and promotions as approved by the Board was adopted in practice.

In May 1962, it was felt that a review of procedure for appointments and promotions was necessary. A number of changes had taken place in one direction or another as a result of the expansion of the business activities of the Bank. In some cases it had been found necessary to create new grades of appointments, in others some of the appointments had been reclassified with their salary scales either increased or reduced. Further, since the Establishment Department 24 had been fully set up, it was considered that there was no need to have such a high level committee for some categories of appointments.

Accordingly, the Establishment Department drafted a new procedure for consideration by the Board of Directors at their 41st meeting. The new procedure followed closely that of the old one. However, certain changes were proposed, especially in connection with classification of appointments and composition of the committees.

After great deliberation and consideration, the Board of Directors approved the new procedure to be followed for consideration of appointments and promotions in the Bank. It was proposed to retain the former practice of considering appointments under the three group headings, that is Group A, Group B and Group C. But in the case of Group C, it was to be classified into three categories, namely, supervisory, clerical and non-clerical. This new

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24 At its 33rd meeting held on Sept. 30, 1961, the Board of Directors approved the setting up of Establishment Dept. which would attend to all matters connected with personnel, premises and supplies.

clarification of appointments is shown in Schedule "A".

The new procedure to be followed were as follows:-

#### GROUP A

Promotions and appointments in this group were to be considered personally by the Governor in consultation with the Deputy Governor and recommendations submitted to the Board.

#### GROUP B

Promotions and appointments in this group were to be considered by the Governor on the recommendation of a Committee and submitted to the Board before implementation. The Committee should consist of the following:-

- (i) Adviser (Chairman)
- (ii) Manager, Establishment Department
- (iii) Secretary
- (iv) Chief Accountant, Manager Banking Department or Economist at Governor's discretion according to the nature of post to be filled.

#### GROUP C

##### (a) Supervisory

For posts, classified under this heading, appointments and promotions were to be considered by the Governor on the recommendations of the same Committee referred to under Group B.

##### (b) Clerical

For posts under this heading, appointments and promotions were to be considered by the Governor on the recommendations of a Committee consisting of the following:-

- (i) Manager, Establishment Department
- (ii) Secretary
- (iii) One group B Officer to be selected by the Governor according to the nature of the post to be filled.

##### (c) Non-clerical

Appointments and promotions in this group were to be dealt with in the same manner as in (b) above. The Committee, when dealing with appointments of typists, machinists and stenographers, would co-opt a senior lady member of the staff to assist in the selection of candidates.

It was also agreed that, as a matter of policy, promotions to vacant posts in the Bank should normally be made from among officers already in the service of the Bank. Where no officer was considered suitable for promotion to any vacant post, the vacancy should be advertised in the Press and applications for it should be called.

So far, the Bank has not diverged from the approved procedure in implementing its recruitment policy. The Selection Committees for the various groups have been convened on numerous occasions to interview new applicants from within and from without. After each interview, the Selection Committee would submit its recommendations to the Governor for consideration and approval. The final decision for appointment rests with the Governor and approval by him is not a matter of mere formality. There were occasions where the Governor did not accept the views expressed by the Committee. On such occasions the Governor would express his disagreement in no uncertain terms. For example there was such a divergence of views in March 1964 over the selection of candidates for the post of Administrative Assistant. In its recommendation to the Governor, the Committee stated that one of the applicants did not meet with their approval.

"He appears to be rather withdrawn and lacking in drive and initiative..... the Committee does not consider him to be suitable for appointment in the Bank".25

The Governor did not accept the Committee's recommendation. In his reply to the Committee, the Governor wrote:-

"The Committee does not consider this man suitable for appointment on the ground that he appears to be rather withdrawn and lacking in drive and initiative".....I do not consider this as sufficient ground for thinking that he would be unsuitable for appointment as Administrative Assistant. He has the required academic qualification and has had commercial experience.

Moreover, it seems to me that the Committee does not understand the nature of the Malays, whose character it is to appear to be withdrawn and lacking in drive... There is a place in the Bank for the quiet and steady person who can work efficiently without fuss and bother on his own....

I would like the Committee therefore to reconsider its recommendation." 26

With this system of appointments and promotions adopted by Bank Negara Malaysia, one can safely say that every candidate would be duly considered and carefully selected for service with the Bank.

(c) Recruitment Policy towards Malays

In accordance with the Government's policy of encouraging more Malays to work in commercial and industrial fields, the Bank gives preference to Malays in its recruitment policy. But this does not mean that the Bank will bend backward to accommodate Malay applicants. The Bank's stand on its qualification requirement to any particular post is applicable equally to Malays as well as other candidates. As such only Malay applicants with the required minimum qualifications will be considered for appointments. They will be subjected to the same interview as applicants of other races. If they do not meet up with the Bank's requirement and expectation, they will not be considered for appointment.

The same is true with regard to promotions within the Bank. The Malay officers are considered alongside with officers of other races when Promotion Exercise 27 is carried out. And unless the officer has proved his worth and warrants promotion, he will not be promoted, whether he is a Malay or not. In view of these facts, it is wrong for one to form an opinion that since it is the Bank's policy of giving preference to Malays, the present Malay officers are inferior in quality in terms of efficiency and responsibility as compared to their counterparts.

All of them have met with the Bank's requirement to justify their present positions. If any one of them seems to have a meteoric rise, this is merely due to his initiative, efficiency and capabilities and not because he was born a Malay, a situation which has been unwantonly described as 'passport to easy promotion'.

To increase the number of Malay Staff, the Bank has successfully, to some extent, carried out a programme of recruiting young Malay men and women over the years. Certain advertisements were aimed directly at the Malays, such as those for Junior Officers and Junior Stenographers. Appointments in the non-clerical group are reserved entirely for Malays. It is only in the clerical and

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26 File No.C/Est.03.16 - Extract from Governor's reply to the Committee - 18.6.64.

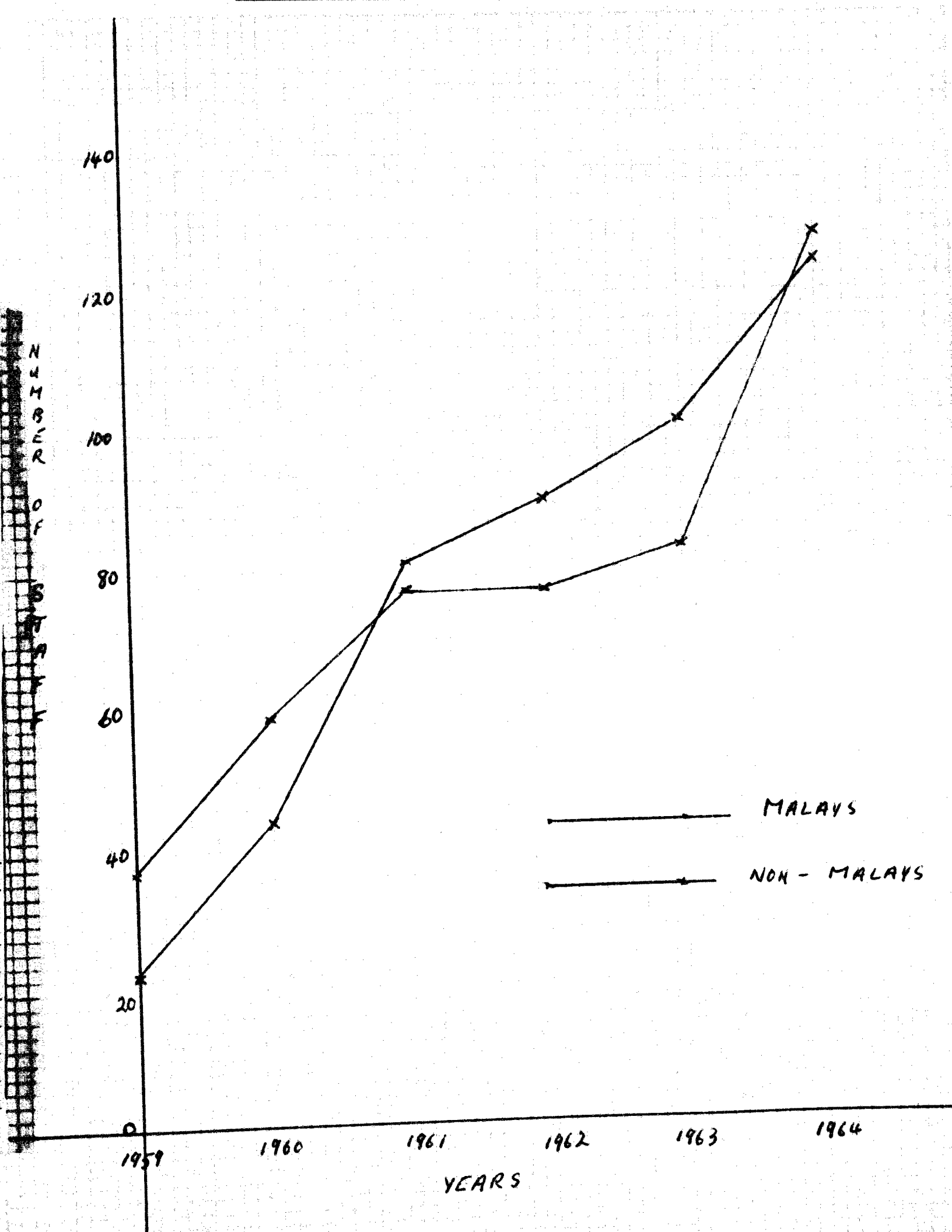
27 Promotion Exercise is carried out when vacancy arises.

**TABLE I**

**STAFF POSITION (ACCORDING TO RACE)  
OF BANK NEGARA MALAYSIA FROM 1959-1984**

YEAR	MALAYS		CHINESE	INDIANS	OTHERS	TOTAL	% OF MALAYS
	Clerical	Non-clerical					
1959	10	12	51	6	-	59	57
1960	21	23	46	10	3	103	43
1961	50	31	63	11	3	158	51
1962	60	30	65	10	2	167	54
1963	69	32	69	11	3	184	55
1964	87	37	104	18	6	252	49

**Note:** 1. Seconded Officers not included  
2. Malay clericals - includes Supervisory, Executive and Senior Executive  
3. Others: Arabs, Pakistanis and others not elsewhere classified.



non-clerical groups that the preference for Malay policy seems to be pursued with vigour and implemented liberally. In the executive groups there seems to be little success of the policy. This may be due to lack of qualified Malays to field up the posts. The Malay elite seems to prefer the Government service to employment in banking and commercial organisations. To remedy the situation, the Bank at present offers a number of scholarships for Malays to study Economics at the University of Malaya. On completion of their study, these scholars are bound by contract to serve the Bank for at least five years, if their services are required.

The Governor is perhaps the most ardent supporter of this policy. This is indicated in his recent instructions to the Selection Committee. Among other things he wrote:

"In future, Malay candidates with the minimum qualification and above required of vacant posts, must be called for interview, and unless there are very special reasons to the contrary, they should be recommended for appointments.

There is growing difficulty in recruiting suitable Malays and I would like to see greater representations of Malays among our Senior Staff. I would not like to be directed by the Government to adopt the quota system".<sup>28</sup>

In spite of this policy, there is no indication of the Bank being overwhelmed by Malay Staff. Table 1 shows position of the Malays from 1959 to 1964. (Seconded officers have been excluded since the purpose is to show the position of the Malays in comparison with other Malaysian staff of the Bank). At the end of its first year of operation, the Bank had a total staff of 59 of which 22 or 37% were Malays. Since 1959 there was a gradual increase in the total staff enrolment and the enrolment of Malay staff too increased simultaneously. This trend was kept right up to 1963, where total staff enrolment reached 184 of which 101 or 55% were Malays. At the beginning of 1964 there was a large intake of staff for the Singapore Branch and the majority of the staff recruited were Chinese. As a result the percentage of Malays at the end of 1964 dropped to 49%.

If one is to judge the position of the Malays in the Bank from just the total percentage given, then one will tend to conclude that the Malays are in a favourable position. But if one is to examine closely at the composition of the Malays that made up the

**TABLE H 2**

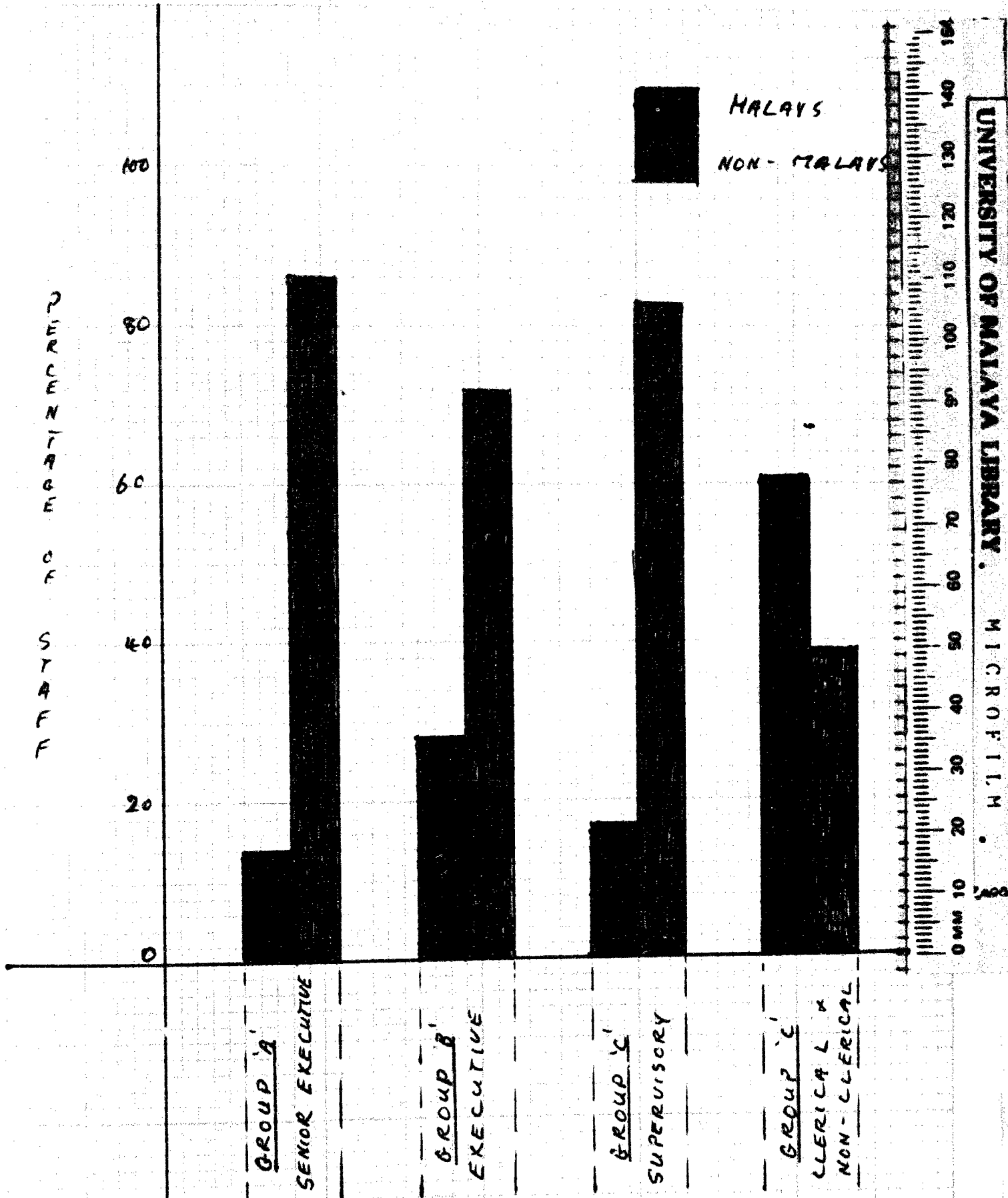
**STAFF POSITION (ACCORDING TO RACE)  
OF BANK NEGARA MALAYSIA AS AT DEC. 31, 1964**

RACE	GROUP 'A' (SENIOR EXECUTIVE)		GROUP 'B' (EXECUTIVE)		GROUP 'C' (SUPERVISORY)		GROUP 'C' (CLERICAL & NON-CLERICAL)		TOTAL	
	No.	%	No.	%	No.	%	No.	%	No.	%
MALAY	1	14	11	28	5	17	107	61	124	49
CHINESE	5	72	23	58	21	70	55	51	104	41
INDIAN	-	-	5	12	3	10	10	6	18	7
OTHERS	1	14	1	2	1	3	3	2	6	3
TOTAL	7	100	40	100	30	100	173	100	252	100

**Note:** 1. Governor and Deputy Governor are excluded for they represent the Management.  
2. Seconded Officers not included.  
3. Others: Arabs, Pakistanis and others not elsewhere classified.

# CHART I

BAR CHART SHOWING PERCENTAGE OF MALAYS  
AND NON-MALAYS IN B.N.M. AS AT DEC. 31, 1964



total, then one will have an entirely different view of the position. As indicated in Table 1, more than half of the Malay staff in 1959: 1963 that made up the total came from the non-clerical group.

In order to have a clearer picture of the Malays in the Bank at present, it is best to look at the composition of the staff enrolment as at December 31, 1964. This is shown in Table 11. From this Table one can judge where the policy has been implemented vigorously, liberally and successfully. Of the 124 Malays in the Bank, 107 or 86% are in the clerical and non-clerical group. Further, it is only in this group that the Malays are in the majority, forming 61% of the total clerical and non-clerical staff. This too is due to the fact all non-clerical appointments are reserved for Malays. In all the other groups the Malays are in the minority as compared to the Chinese: 17% in the Supervisory, 28% in the Executive and 14% in the Senior Executive. Thus in term of numbers the Malays are in a favourable position but on the basis of effective control and policy formulation they are not in a position to exercise much influence (with the exception of the Governor).

#### (d) Recruitment Policy towards women

On the question of recruitment of women, it is interesting to note that of the 86 clerical officers in the Bank at the end of 1964, none are women. It is the policy of the Bank to recruit only men for clerical officers. When asked, why the Bank has not considered recruitment of women for clerical officers, the Assistant Manager, Establishment Department said ,

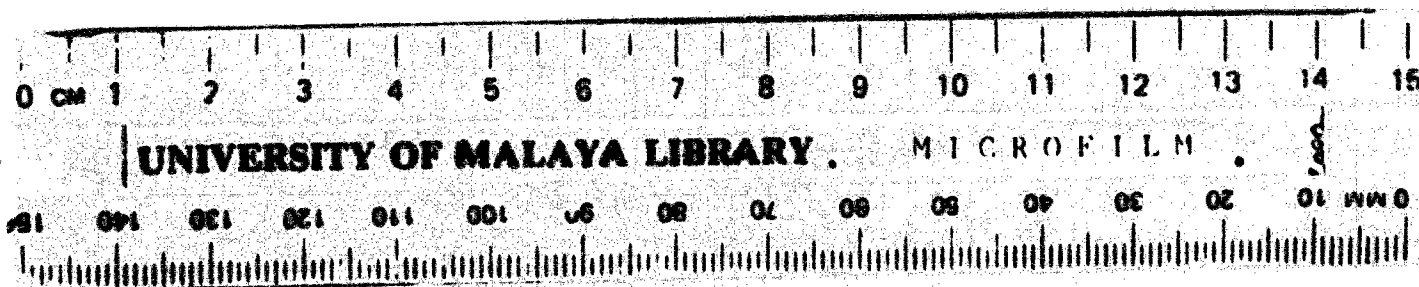
" From time immemorial, men has been the bread-earner of the family. This has been the ways of nature. So the Bank is only following the ways of nature and gives employment opportunity to men first. Furthermore we are, never short of men for our need" 29

The reason given by the Assistant Manager is rather unsatisfactory but then none of the other officers were in a position to give a better reason for the Bank's policy towards recruitment of women for clerical officers. This is due to the fact that the Bank has never thought of this question of women for clerical officers, since there were no shortage of male applicants for the appointment. But with the Bank taking over the Exchange Control in Singapore next year, this question has to be dealt with, for there are female clerks in the Exchange Control at present, and so their position has to be decided by the Bank.

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29 Personal interview with Inche Ismail Dato Abdullah, the Assistant Manager, Establishment Department, Bank Negara Malaysia on March 23, 1965.

However, except for the appointment of clerical officers, all other appointments in the clerical group are for women. These include Stenographers, Registry Assistant, Machinists, Telephone Operators and Typists. In the Executive posts, there are only 4 female officers at present. Of a total staff of 252 at the end of 1964, 53 or 21% are women. Though they form only a small percentage of the total staff their presence is vital in the daily conduct of the activities of the Bank.



### 3. TERMS AND CONDITIONS OF SERVICE

In deciding on his career, an individual will look at a number of prerequisites which a job or appointment can offer. The weight which is attached to these will vary from individual to individual and with the same individual at different times. Generally, it can be assumed that first in the order of importance is economic security. This is not only reflected in the remuneration of the job or appointment which will enable him to satisfy the basic needs of his family and himself, that is, food, clothing, shelter and medical care, but also in its long-run benefits such as pension rights or provident fund and other similar benefits and prospects of salary increases and promotion. Given the above, the individual may next consider the social or non-monetary aspect of his prospective appointment. My view is that this does not necessarily be attached to the job or appointment but to the organisation as a whole. This may perhaps create job preference and may make the individual to overlook certain unfavourable conditions of service.

Normally and rightly too, the individual is given the opportunity to assess his position in a particular organisation before he accepts the appointment. This is contained in the letter of appointment which defines the terms and conditions of service.

When considered in the light of a constitution of reciprocal obligations of Management to its staff, and vice versa, the terms and conditions of service serve as a reference on cases of conflicts or dissatisfaction. As such, irrespective of whether it is satisfactory or otherwise, the importance of a clear cut and definite personnel policy, as defined by the terms and conditions of service, could hardly be exaggerated.

Implicitly the attitude of management towards its staff is expressed, reminding the staff its expectation, the impression to build and the atmosphere to create, and embodying its system of rewards and punishments.

The terms and conditions of service of Bank Negara Malaysia are contained in the Staff Rules and Conditions of Employment, a copy of which is sent to all successful candidates when the offer of appointment is made. These terms and conditions have been formulated after a careful study of the terms and conditions existing in Government service, other statutory organisations and commercial banks. As such they are comparable in

general to those in the Government Service, statutory organisations and commercial banks.

Although there are general similarities with the other organisations, the Bank is not bound in any way, legally or morally, to conform to the practices of others. In fact, in the opening paragraph of the staff rules and conditions of employment, this fact is emphasised.

" Employment conditions and salary scales and allowances for all staff of Bank Negara Malaysia will be as determined by the Board of Directors. The Board is in no way bound to accept or conform to any salary or wage structure or conditions of service which may exist or come into existence in any other service". 30

These rules and conditions of employment were formulated and adopted when the Bank was first established. Since then, adjustments have been made from time to time and the staff have been notified of these through the Staff Circulars.

The staff rules and conditions of employment outlines the principle by which the Bank's policies on appointments, salaries, allowances, and such matters are based. In dealing with cases which are not covered by the Staff Rules and conditions of employment and current staff circulars, the Bank generally follows Government practice; otherwise such cases would be considered by the Management.

Though it is stated in the staff rules and conditions of employment that:-

" Where reference is made hereunder to the Government conditions of service applying to service in the Bank, it applies to Government conditions as at the date of the establishment of the Bank and the Bank is not bound to adopt any later amendments except where specially provided as in the case of pensions". 31

In practice the Bank has abided by and adopted all amendments made by the Federal Establishment Office in connection with the General Order.

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30 Bank Negara Malaysia: Staff Rules and Conditions of Employment.P.1

31 Bank Negara Malaysia: Staff rules and conditions of Employment.F.1

(a) Appointments

Before appointments are offered to successful applicants, their names are submitted to the Police for Security Check. There are two types of checking or vetting:-

(i) Positive Vetting

In this case an extensive questionnaire is required to be completed by each person vetted. While the bulk of the enquiries are completed in 14 days, some may take a month and where extensive enquiries are made, it could be more. Under this system enquiries are made in the applicant's town and in some cases enquiries are made of the referees.

(ii) Negative Vetting

In this case a search is made of the Special Branch records and advice is given if any record is held. This is not very reliable and mainly shows up known Communists affiliations.

Negative vetting is for applicants who have resided continuously in Malaysia, while positive vetting is for those who have resided overseas, unless they are employed by the Federal Government or a State Government at the time of application.

So far only the present Secretary of the Bank was positively checked since he was in the United States and Britain for a long time prior to applying for appointment with the Bank. The rest of the Bank Staff were negatively checked. There had been cases too of applicants who had been considered as 'Security risks' and had been refused appointments by the Bank.

All appointments in the Bank are subject to the following five conditions:-

- (i) Satisfactory medical examinations. Certificate of fitness must be certified by Government Doctors or the Bank's Medical Adviser.
- (ii) Production of evidence of age, educational qualifications and satisfactory reference from school or previous employers.
- (iii) Only citizens of Malaysia may be appointed to the Permanent Staff of the Bank.

- (iv) Satisfactory completion of a probationary period; the appointment would be terminable at any time with one month's notice, or one month's salary plus cost of living allowances (COLA) in lieu, and without any reason being given. The employee is also free to relinquish his appointment under the same terms and conditions.
- (v) Signing of a Statutory Declaration before a Magistrate, declaring that the applicant is free, of criminal record; never being dismissed or suspended from service or gazetted out of the service of any Government or State; nature of previous or present employment; and free from pecuniary embarrassment and has no obligations under promissory notes either as principal or surety. The applicant is liable to instant dismissal if any statement in the completed Declaration is later found to be untrue.

In the case of a Government servant, he is subject to Government General Order at all times. In the case of a Bank's employee, he will, at all times, be subject to the Conditions of Service as determined by the Board of Directors of Bank Negara Malaysia. At the same time any employee in the service of the Bank is liable to serve in any of the Bank's Branch offices within Malaysia.

Finally, on first arrival at the Bank, every employee is required to sign the Employee's Declaration which states, among other things, that the employee will serve the Bank loyally and to the best of his ability. At the same time the employees is sworn to secrecy regarding his work.

" And I do solemnly and sincerely declare that I will faithfully and honestly keep secret the affairs and concerns of the Bank and its transactions in business with its customers and other banks and the native and particulars of the accounts of the several customers or banks during my employment with the Bank and after the termination thereof AND THAT I will not reveal or made known any of the matters, affairs or concerns which may come to my knowledge as an officer of the Bank to any person or persons whomsoever except in the performance of my duties and the exercise of my obligations or under compulsion or obligations of the law." 32

Recently the Bank has come to an understanding with the commercial banks not to 'steal' each others serving officers.

Under normal circumstances, applications for appointment from employees of commercial banks will not be entertained by Bank Negara. Similarly applications from Bank Negara for appointment in commercial banks will not be entertained by the commercial banks. However, when the Bank was first established in 1958, it had to rely on experienced officers from the commercial banks, Government Service and seconded officers from other Central Banks, to run the Bank. But the supply of such officers was rather limited and the Bank has to train its own staff to meet its increasing requirements.

### (b) Salaries

A salary (or a wage) is an important consideration, and perhaps the prime factor, in the attractiveness of any job. Whatever grievances mostly expressed would be in connection with wages. If a worker finds his work disagreeable, he would express his discontent by complaining about wages. Sometimes workers complain if they feel that Management is establishing unfair wage rates. Moreover, a worker is continually reminded of wages by the race between expenditures and the next pay day. The worker's standard of living is significantly affected by how much he earns, and, consequently, how he feels about his wages is also affected by what his neighbours think about his spending power. Thus worker's consciousness of his wage is constantly reshaped by the effect of its exertions, the rapidity with which the pay check is spent, and the evaluations, placed upon it by friends and neighbours.

Such sensitivity is not, however, the basic source of difficulty in arriving at an acceptable compensation plan. The trouble lies in the lack of a measuring device which can be established to the satisfaction of all concerned what a man is worth in financial terms. There are no doubt many measuring methods, but all are subject to question by the employer, the recipient, or both. The only way of dealing with this delicate and controversial matter is to follow a line of action based on principles universally applicable and marked out in advance. The terms of a wage policy, will have their basis in the social principles of justice and personality. In return for his effort, dedication and zeal, an employee asks for "a square deal". His judgement of what is just and fair contains elements of personality and self-respect. So in formulating a wage policy, the management should take these factors into consideration. They will enable the Management to arrive at a wage policy that will be

acceptable to the staff in general. This, to some extent, will minimise the constant agitation by staff for a revision of salary or accusing the Management of being "unfair" or pursuing a policy of discrimination in the question of remuneration.

Bank Negara Malaysia is adopting a wage policy that is acceptable to the staff in general. A definite salary scale for all appointments in the Bank has been approved by the Board of Directors. However, point of entry into any scale by an officer will be determined by the Governor on the recommendation of the Selection Committee. Educational qualifications, previous experience and age of the officer will be taken into consideration in determining the point of entry to any salary scale.

Some of these salary scales have been revised from time to time to meet the need of the Bank and the pressure from staff representatives. For instance, when an officer has reached the maximum in his scale, and he is still young and has potentials for development, the Bank is obliged to revise his salary scale so as to encourage him to give his best. Otherwise, there would be discontentment, for in due course several officers junior to him would reach his scale too.

As for officers from Government Service, it is the policy of the Bank to appoint them at a salary not less than what they have been receiving.

On the question of salary for women, the Bank does not make any distinction between their salary and those of men. Women officers are employed on the same salary scale and their point of entry too will depend on their educational qualifications, previous experience and age.

Schedule 'V' shows the salary scales of all appoints (Governor and Deputy Governor excluded) in the Bank. At present these scales are in force, but negotiations between the Management and the Staff Association are going on for complete revision of all the salary scales. Favourable decision is expected to be reached in not too distant future.

## SCHEDULE V

### Schedule of existing appointments and salary scales in Bank Negara Malaysia

#### GROUP A

1. Adviser	\$1550 x 60 - 1730
2. Manager, Singapore Branch	1550 x 60 - 1730
3. Manager Establishment Department	1400 x 50 - 1550
4. Manager, Banking Department	1400 x 50 - 1550
5. Economist	1400 x 50 - 1550
6. Chief Accountant	1400 x 50 - 1550
7. Secretary	1400 x 50 - 1550

#### GROUP B

1. Superintendent, Foreign Exchange	1300 x 50 - 1450
2. Assistant Manager, Singapore Branch	1300 x 50 - 1450
3. Inspector, Bank Supervision Dept.	1100 x 50 - 1350
4. Superintendent, Banking Operations	1100 x 50 - 1350
5. Manager, Penang Branch	1100 x 50 - 1350
6. Asst. Superintendent, Foreign Exchange	1100 x 50 - 1350
7. Currency Officer	1020 x 40 - 1260
8. Senior Administrative Assistant	1020 x 40 - 1260
9. Senior Assistant Economist	1020 x 40 - 1260
10. Assistant Secretary	1020 x 40 - 1260
11. Assistant Chief Accountant	1020 x 40 - 1260
12. Administrative Assistant	(550)600 x 40 - 960/1020x40-1260
13. Assistant Economist	(550)600 x 40 - 960/1020x40-1260

#### GROUP C (SUPERVISORY)

1. Assistant Inspector	850 x 40 - 1050
2. Assistant Superintendent, Banking Operations	850 x 40 - 1050
3. Accountant, Singapore Branch	850 x 40 - 1050
4. Accountant, Penang Branch	800 x 40 - 1000
5. Senior Assistant, Exchange Control	800 x 40 - 1000
6. Chief Cashier	740 x 40 - 980
7. Assistant to Inspector, Bank Supervision Department	700 x 30 - 940
8. Chief Examiner	700 x 30 - 940
9. Authorising Officer	700 x 30 - 940.

**GROUP C (SUPERVISORY)**

10.	Examiner	600 x 30 - 720
11.	Examiner/Authorising Officer, Penang	600 x 30 - 720
12.	Executive Cadet	400 x 30 - 720
13.	Library Assistant	400 x 30 - 720
14.	Research Assistant	400 x 30 - 720
15.	Personal Assistant to Governor	670 x 20 - 730
16.	Personal Assistant to Deputy Governor	610 x 20 - 670
17.	Assistant Chief Cashier	525 x 20 - 625
18.	Cashier, Penang Branch	525 x 20 - 625
19.	Examiner, Public Debt	525 x 20 - 625
20.	Assistant Examiner	480 x 20 - 560
21.	Assistant Cashier	480 x 20 - 560
22.	Chief Clerk, Exchange Control, Penang	460 x 20 - 550

**GROUP C (CLERICAL)**

1.	Clerical Officer \$160x10-180/200x15-440/460x15-550	
2.	Stenographer	450 x 20 - 530
3.	Registry Assistant	200 x 15 - 440
4.	Junior Stenographer \$255x15-330/Eff.Bar.345x15-420	
5.	Senior Machinist	255 x 15 - 330
6.	Telephone Operator	170 x 10 - 250
7.	Machinist	160 x 10 - 240
8.	Typist	160 x 10 - 240
9.		

**GROUP C (NON-CLERICAL)**

9.	Head Watchman	120 x 7 - 155
10.	Watchman	105 x 5 - 130
11.	Driver	105 x 5 - 130
12.	Office Boy	85 x 5 - 115

**(c) Allowances**

Just as the salary scales and conditions of employment are being determined by the Board of Directors, the same is true of allowances accruing to Bank Staff. The Bank is anxious to make working conditions and remuneration and other benefits as attractive as possible so as to attract the best qualified personnel into the Bank's service. As such the Bank is paying various allowances to its staff, keeping in line with Government and commercial banks practice.

(1) Cost of Living Allowances (COLA) are payable on the same basis and scale as in the Federal Government Service. COLA for appointments of Secretary, Administrative Assistant, Executive Cadet and Clerical Officer in Bank Negara Malaysia are given in Tables one, two and three and four respectively. At the same time COLA for similar appointments in Government Service and Central Electricity Board are also given in the tables mentioned, for purpose of comparison.

(11) Housing Allowances are payable at the following rates:-

<u>Basic Salary</u>	<u>Allowance per month</u>
\$1,000 and above	\$250
900 - 999 inclusive	200
800 - 899 inclusive	180
700 - 799 inclusive	170
600 - 699 inclusive	160
500 - 599 inclusive	150
400 - 499 inclusive	110
300 - 399 inclusive	90
200 - 299 inclusive	75
150 - 199 inclusive	55
100 - 149 inclusive	45
Under 100	35

This Housing Allowance is payable irrespective of whether the employee is staying in a rented house or staying in his own house.

The above scale was the result of claims submitted by the Staff Association in 1963. These claims were considered by the Staff Committee of the Bank and were submitted to the Board of the Bank together with the Committee's recommendations. After a careful consideration, the Board at its meeting held on April 16, 1964, approved the revised rates of housing allowance, payable with effect from January 1, 1964. Prior to this, housing allowance of staff was governed by Staff Rules, and conditions of employment, the scale of which was very much lower than the present one as shown below.

\$1,100 and over	\$225
900 - 1,099 inclusive	180
800 - 899 inclusive	140
700 - 799 inclusive	110
500 - 699 inclusive	90
200 - 499 inclusive	70
150 - 199 inclusive	35
100 - 149 inclusive	25
Under \$100	15

This is by no means the end of negotiations for better housing allowance. There is every possibility that the Staff Association will take up the matter again, especially if the present trend of taxes and cost of living continues to rise.

(iii) Overtime Allowances

Just as in Government Service, the Bank pays overtime allowances for work later office hours. The normal office hour is from 8.30 a.m. to 4.30 p.m. on Mondays to Fridays with an hour break for lunch and from 8.30 a.m. to 12.30 p.m. on Saturdays. The Bank co-operates with the Staff to ensure the observance of these hours as far as possible but some adjustments may be necessary from time to time to meet business requirements. Adjustments of working hours are also made in connection with Muslim members of the staff, for it is the policy of the Bank to co-operate to the greatest possible extent in allowing members of the staff to fulfill their religious duties. Thus Muslim members of the staff are normally released between 12 noon and 2.00 p.m. on Fridays to attend Mosque.

"However, this privilege is subject to office convenience, and it may not be possible to grant it on odd occasions if the Bank is especially busy. On such occasions, which should be very infrequent, officers concerned will be suitably advised." 33

During Puasa (Fasting) Month, the Bank is open on normal banking hours and feels that it would not be practicable for Muslim members to be released at 2 p.m. as is the practice in Government Service. However, whenever possible their work would be arranged to enable them to complete their duties as soon as practicable after 3.00 p.m.

Overtime allowances are paid only to officers whose basic salary is under \$559 per month. Clerical Staff within the salary limits specified who are required on the instructions of their senior officer to work after 5.30 p.m. on any week-day or after 2.00 p.m. on Saturday or anytime at all on Sundays or gazetted Public Holidays will receive overtime allowances at the following rates:-

Up to a basic salary of \$346/- per month	\$2 per hour
\$347/- and over and under \$476/- per month	\$3 per hour
\$476/- and over and under \$559/- per month	\$3.50 per hour.

In calculating overtime on a week day or Saturday the minimum rate paid for any one day to the employee would be for one hour, and for overtime worked on a Sunday, or on a Public Holiday the minimum rate would be the rate for three hours. For non-clerical staff the overtime rate payable is \$1.00 per hour.

The Staff Association has just submitted a proposal for revision of the overtime allowances and is being considered by the Management.

(iv) Acting, Higher Duty and Charge Allowance

Following the practice of Government and other statutory bodies, the Bank pays Acting, Higher Duty and Charge Allowances to its staff. The payment of such allowance is governed by Treasury Circular No.16 of 1954.<sup>34</sup> These allowances are payable to Bank Staff on approval by the Governor or Deputy Governor and subject to certain provisions. The allowances are granted to an officer only in respect of the actual performance of the duties of the office to which the officer is attached.

Bank Negara Malaysia defines Acting, Higher Duty and Charge Allowances as follows :-

(a) Acting Allowance is an allowance payable to an officer for performing the duties of a higher office, provided that he is eligible for promotion to the scale of the higher office in which he is acting.

(b) Higher Duty Allowance is an allowance payable to an officer who is not yet eligible for promotion to the scale of the higher office in which he is partially acting, and that such performance is under the overall supervisory responsibility of an officer, as determined by the Governor or his Deputy or the Head of the Department involved, whose salary scale shall be higher than the salary scale of the officer who is relieving the post.

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34. Treasury Circular No.16 of 1954 is titled 'Acting Allowance' It sets out the terms and conditions for payment of Acting, Higher Duty and Charge Allowances to Government Servants.

(c) Charge Allowance is an allowance payable to an officer who discharges the duties of another officer, in addition to his own, the salary scale of which is the same or lower than his substantive scale"<sup>6</sup>

Acting or Higher Duty Allowances are payable to an officer if he is required to act in such higher office continuously for a minimum period of 29 days or more. However, the Governor or the Deputy Governor may at his discretion allow an officer to draw any of the allowances mentioned for periods not exceeding a total of 28 days in any one year. As for charge Allowance, it is payable to an officer if he is required to discharge duties, in addition to his own, for any period of a full day or more.

The calculation of payment for Acting Allowance is given in Treasury Circular No.16 of 1954 as follows:-

- (i) if the salary of the higher officer is not incremental, at a rate equal to the difference between his own substantive salary and the fixed salary of the higher office,
- (ii) if the salary of the higher office is incremental, at a rate equal to the difference between his own substantive salary and the minimum salary of the higher office,
- (iii) if the salary scale of the lower office touches or overlaps the salary scale of the higher office and the actual salary drawn by the officer in respect of his own substantive post is equal to or greater than the minimum of the higher office, at a rate equivalent to the amount of one increment of salary in the higher scale".

The Bank adopts the same calculation, when paying Acting Allowance, as that given by Treasury Circular No.16 of 1954 shown above.

As for Higher Duty Allowance, the payment is calculated as follows :-

- (1) If the two offices are distinct and separate offices in different departments, the officer shall be eligible for Higher Duty Allowance at the discretion of the Governor or his

Deputy, in addition to his own substantive salary, not exceeding half the rate equal to the difference between his own substantive basic salary and the minimum basic salary of the higher office, in which he is acting.

(ii) If the two offices are distinct and in the same department but do not stand to one another in any immediate relation or superiority or subordination, the officer shall be eligible for a higher Duty allowance, at the discretion of the Governor or his Deputy, in addition to his own substantive salary, not exceeding half the rate equal to the difference between his own substantive basic salary and the minimum basic salary of the higher office.

(iii) If the offices are distinct and separate offices in the same department, but stand to one another in immediate relation of superiority or subordination the officer shall not be eligible for higher duty allowance.

(iv) An officer who has been officially directed by the Bank to undergo training in any of the department in which he perform the actual duties of higher appointments, shall be eligible to receive Higher Duty Allowance at half the usual rate as prescribed in para. (i), (ii), or (iii) as the case may be.

For charge Allowance the calculation is on the following basis:-

(i) If the two officers are in the same scale, but the basic salary of the officer of whose duties he is discharging in addition to his own, is higher than his substantive basic salary, the allowance payable shall be the difference in the monthly all-in salary of the two offices over the number of days he discharges the duties.

(ii) If the two officers are in the same scale, but the basic salary of the officer of whose duties he is discharging in addition to his own, is the same as or lower than his substantive basic salary, the allowance payable shall be the difference in his substantive monthly all-in salary and the monthly all-in salary of one increment above his own, over the number of days he discharges the duties.

Up to this moment, there has been no cases where an officer who is entitled to receive such allowances being denied payment. The Bank has kept closely to the letter of the Treasury Circular No.16 of 1954.

(v) Travelling and Subsistence Allowances

In keeping with Government practice, the Bank is paying travelling and subsistence allowances to its officers on outstation duty within Malaysia as well as meeting expenses incurred by an officer on transfer within Malaysia. The rates are almost similar to that of the Government. The payment of this travelling and subsistence allowance is governed by Staff Circular No.9, while payment of expenses for transfer is governed by Staff Circular No.11.

According to Staff Circular No.9, subsistence allowance at the following rates will be paid to officers required to be outstation on duty for every 24 hours or part thereof exceeding 8 hours and involving over-night stay.

<u>Basic Salary</u>	<u>Allowance Per Diem</u>
Under \$515/-	\$10/-
Between \$515 and under \$920	15/-
\$920 and above	20/-

If the officer is required to be on outstation duty for more than 8 hours at a stretch but does not involve overnight stay, he will be paid a day allowance at half the rate prescribed above.

In lieu of subsistence allowance, an officer may recover instead the actual cost incurred in board and lodging. At the same time he is paid an additional daily allowance, to cover incidentals, at the following rate:-

<u>Basic salary</u>	<u>Allowance per diem</u>
Under \$515/-	\$1.00
Between \$515 and under \$920	1.50
\$920 and over	2.00

In cases where an officer is required to remain outstation on duty for a continuous period exceeding 3 months, then prior sanction of the Governor must be obtained before any payment can be made in excess of 3 months.

Officers travelling on duty by rail are entitled to be provided with the following accommodation:-

- |                                                            |    |           |
|------------------------------------------------------------|----|-----------|
|                                                            |    | 1st       |
| (a) Male officers with a basic salary of \$300/- and above | .. | Class     |
| (b) All women officers                                     | .. | 1st Class |
| (c) Others                                                 | .. | 2nd Class |

In special cases, with the approval of the Governor, an officer in category (c) above may also be permitted to travel 1st Class.

An Officer is also permitted to use his own car for travelling on duty if it is either more economical or considered necessary for the efficient performance of his duties. In this case, mileage travelled will be paid at rates prescribed by the Bank from time to time. At the moment, the rates are those applicable to Government officers.

If an officer is transferred within Malaya, then all expenses incurred in the course of shifting to his new place of work will be met by the Bank. But claims for reimbursement should be fair and reasonable and should be supported by receipted bills.

The Bank is also following Government practice of paying subsistence allowance to officers going abroad on duty. The terms and conditions regarding this contained in the Treasury Circular No.5 of 1962. At the same time the Bank also pays an outfit allowance at the following rates:-

Basic grant	\$350	
Stay over 4 months	100 (additional)	
Stay during winter months	150	-do-
	<u>\$600</u>	

The outfit allowance is payable to an officer every five years only.

#### (vi) Office Dress and Uniform Allowances

Though there is no written regulation in the Bank that all female employees in Group C (Clerical) have to wear the Bank's uniform during office hours, such has been the practice as instituted following the approval by the Governor in a memorandum dated September 9, 1959. As such women members of the staff (Group C) are provided with sufficient material to make two skirts and three blouses each on appointment. Therefore, an allowance of \$30 is payable after each completion of 12 months service with the Bank.

As for office boys, their uniform allowances comprise of the following:-

- (1) One suit of Malay uniform consisting of light blue baju and seluar and dark blue sampin on joining the Bank, and every two years subsequently.

(ii) Three pairs of uniforms consisting of trousers and bush jacket per year.

(iii) Two black songkoks per year.

(iv) One pair of Black Shoes (Barratts) per year.

(v) An additional pair of black Barratts shoes to be issued once in three years.

Laundry allowance of \$5.00 per month is also paid.

As for watchmen, they are issued annually with two pairs of Malay Uniforms a pair of Khaki Uniform, a songkok and a pair of John White shoes. The laundry allowance is \$5.00 per month.

Drivers are issued annually with two pairs of khaki uniform, a pair of Malay uniform, a songkok and a pair of Barratts shoes. The laundry allowance is the same as for office boys and watchmen. In addition a driver on outstation duty, exceeding 4 hours but less than 8 hours, is entitled to meal allowance of \$2.50.

Recently, the Staff Association has submitted a memorandum to the Establishment Department for an increase in the annual Dress Allowance for female staff from \$30/- annually to \$55/- for non-Malay Staff and \$65/- for Malay Staff (it costs more to make a Malay dress than skirt and blouse). So far no decision has been reached yet.

### (c) Other Benefits

The Management has tried its level best to make working conditions in the Bank as attractive and conducive as possible, so as to be comparable, if not better than conditions existing in Government Service and in other statutory organisations. As such various benefits, besides the allowances already mentioned, are given to employees. The nature and amount of these benefits depend on the position of the individual in the Bank. Whatever the case may be, everyone is given a fair deal, and if an individual is eligible for the benefits, then his case will be approved. These benefits can be divided into the following:-

- (i) Housing Loan
- (ii) Vehicle Loan
- (iii) Medical Facilities
- (iv) Vacation Leave
- (v) Staff Association, Employees Provident Fund and Staff Provident Fund.

# (1) Housing Loan

Besides providing Housing Allowance, it is also the policy of the Bank to encourage its staff to own a house. As such the Bank grants loan to its staff for the purpose of purchasing a house. The provision of such loan is authorised by the Central Bank of Malaysia Ordinance 1958, which states:-

"The Bank may lend money to an officer or employee -

(a) for the purchase, erection, alteration, renovation or enlargement of a house in which he resides or intends to reside.

(b) to discharge a mortgage or encumbrance on such a house".<sup>36</sup>

Prior to August 1962, housing loan to staff was governed by Staff Circular No.7 Terms and conditions contained were very brief and inadequate. Consequently at its 44th meeting held on August 25, 1962, the Board of Directors reviewed the whole policy again and it was agreed that some amplification of the conditions covering such loans was necessary. Accordingly, Staff Circular No.12 was circulated and it embraced all the terms and conditions governing housing loan to members of the staff.

Among other conditions, a housing loan is only granted to permanent staff of the Bank and the amount is limited to  $3\frac{1}{2}$  times an officer's yearly salary. At the same time, the amount of the loan is limited to 90% of the purchase price of the house or the Bank's valuation of the house, whichever is lesser. The rate of interest for the loan is 3% per annum subject to annual review. Loans for period up to 15 years could be granted without special reference to the Board. Another condition is that the purchased house, during the currency of the loan, is to be mortgaged as a first charge to the Bank and that the house should at all times be occupied personally by the applicant, unless prior written agreement of the Bank has been received. Normally, it is expected that terms of repayment of a loan would be calculated to provide for full repayment by the anticipated date of the officer's retirement. In the case of an officer leaving the service of the Bank, prior arrangements should be made for the liquidation of the debt.

Since the initiation of this scheme in 1959, a number of the staff has taken advantage of it and applied for loans. The position of the Housing Loan Scheme from 1959 up to the end of 1964 is shown in Schedule VI.

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36. Central Bank of Malaya Ordinance, 1958 Section 49(2).

SCHEDULE VI.

**Summary of Housing Loans to Members of Staff of  
Bank Negara Malaysia from 1959 to 1964**

Year	No. of Borrowers	Amount Authorised \$	Amount Advanced (31.12.64) \$	Principal Repaid \$	Balance of Loan outstanding (31.12.64) \$
1959	2	92,000	92,000	92,000	-
1960	3	128,600	128,488	27,417	101,071
1961	3	80,400	78,615	10,559	68,056
1962	3	33,750	33,750	10,493	23,257
1963	-	-	-	-	-
1964	4	117,481	96,797	1,069	95,728
Total	20	452,231	429,650	141,538	288,112

By the end of 1964 the total number of applications received by the Bank were 32, of which 20 have been approved 3 rejected due to failure to provide sufficient security for the loan, 4 withdrawn and 5 are still under consideration. It is clear therefore that as long as application for loan is accompanied with sufficient security, the application will be approved. By the end of 1964, the Bank has authorised the payment of \$452,251/- for Housing Loans of which \$429,650/- have been paid out, the principal repaid by the end of 1964 was \$141,538/- leaving a balance of \$288,112/- outstanding. The duration of these loans ranges from 6 years to 15 years, the majority being 15 year loans.

It is indeed interesting to note that there was no loan granted in 1963. This is because there was only one application in that year and it was not approved since the applicant had not been confirmed in his appointment yet.

Early in 1965 the Petaling Jaya Development Corporation allotted 15 Terrace houses to the Bank for its staff. These houses have now been allotted to 15 members of the Staff and they have applied for loans to pay for the houses. With the increasing number of Housing Schemes being set up around Kuala Lumpur, the Bank expects to receive more applications from members of the staff for Housing Loans.

#### (ii) Vehicle Loans

The Staff Rules and Conditions of Employment states that members of the staff are eligible for loans for the purpose of -

"Purchase of motor-car, motor cycle or bicycle in accordance with the general provisions for similar allowances in Government Service." 37

The terms and conditions of such loan are further amplified by Staff Circular No.4. Application for such loan is considered on the merits of each individual case and in cases of staff on probation, applications can only be granted in special circumstances. These loans are interest-free and payable within 36 months for a new vehicle and 24 months for an old vehicle. The amount of loan that an individual is entitled depends on his basic salary. The limits of such loans are as follows :-

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37. Staff Rules and Conditions of Employment of Bank Negara Malaysia. P.6.

(a) <u>Car Loans</u>		<u>Amount of Loans</u>
Basic salary \$1,000 and over		\$8,000
" " 836 - 999		7,000
" " 710 - 835		5,500
" " 514 - 709		4,500
(b) <u>Motor Cycle Loans</u>		1,500
(c) <u>Bicycle Loans</u>		150

Before a loan is granted, the Chief Accountant has to satisfy himself that the price paid for the vehicle is reasonable and not less than the amount of the loan. Normally loans will not be granted more than once in three years except in special circumstances. As soon as a loan is granted to an officer, the Bank will request the Registrar of Motor Vehicles when registering the vehicle to endorse on the Registration Book the words "Ownership claimed by Bank Negara Malaysia". This endorsement will be cancelled by the Registrar of Motor Vehicles when he is informed officially by the Bank that the loan has been repaid in full. It is also one of the conditions that the officer is not to sell, exchange or mortgage the vehicle without special sanction until the loan is repaid.

Since 1959, a large number of the Staff has applied for and been granted these loans. There seems to be a steady increase in the amount of loans granted as indicated by the following figures:-

#### Vehicle Loans to Staff

<u>Year</u>	<u>No. of Borrowers</u>	<u>Total Amount</u>
1959	2	\$ 7,444.40
1960	26	99,230.00
1961	17	47,437.00
1962	18	48,455.07
1963	28	101,077.00
1964	25	110,150.00
	<u>116</u>	<u>\$413,793.47</u>

Most of the applications for vehicle loans were approved, with the exception of a few since the applicants were not eligible for such loans. By the end of 1964 there were 116 approved loans which amounted to \$413,793.47. Of these \$279,255.47 have been paid, leaving an outstanding balance of \$134,538.00 at the end of 1964.

### (iii) Medical Facilities

The employees of Bank Negara Malaysia which is a statutory body are not considered as Government servants and as such are not entitled to medical attention provided by the Government. However, the Bank does not neglect its sick employees but provides adequate medical facilities for the staff and their dependents.

Under Medical Facilities, the Staff Rules and Conditions of Employment states:-

"The Bank will provide for its employees and their wives and children such medical attention, medicines and expenses of hospital treatment necessarily incurred as the Medical Adviser to the Bank may consider necessary. The Board reserves the right to withdraw the benefit should the injury or disease be considered by the Governor to be due to the misconduct of the person concerned." 38

The Bank also aids employees and their wives and children in the payment of ward charges according to the following scales and entitlements:-

(a) Employees with a basic salary above \$515/- may elect to enter class I accommodation in which case the Bank will contribute one-half of the ward charge. Alternatively, they may elect to be treated in the same manner as employees with basic salary below \$515/-.

(b) Employees with a basic salary below \$515/- may be accommodated in class II accommodation, the Bank paying the whole charge.

(c) Non-clerical employees will be entitled to Class III accommodation, the Bank paying the whole charge.

With regard to female employees, the Bank extends its Medical care only to the employees and their children. Husbands are not covered, unless in special cases where ample evidence can be given to prove that the husbands are unemployed. In such cases the Bank will give due consideration if medical care is sought for. However, there has been no such cases.

Since the inception of the Bank, Drs. McPherson, Helliwell & Partners, has been the Medical Adviser, whose recommendation is necessary before an employee is given medical care - if the expenses are to be borne by the Bank. In normal cases, the Medical Adviser is authorised to give ordinary medical treatment and medicines to Bank Staff. But if the cost is quite substantial, then approval of the Bank is necessary before he can proceed with the treatment, otherwise the Bank will not meet the expenses incurred.

#### (iv) Vacation Leave

Though consideration for remuneration plays a major role in the selection of any job, vacation leave entitlement plays quite an important part too. Unless there is adequate leave provided for in the terms and conditions of service, a would-be-employee will not consider favourably the job offered. As such employees should be entitled to adequate vacation leave, without of course upsetting the normal operation of the organisation.

Staff Circular No.6 governs the conditions and entitlement of vacation leave to members of Bank Negara Staff. It is the practice of the Bank to have a 'Leave Roster' which is posted in January and July each year, showing the dates when each member of the staff will be taking their vacation leave. The 'Leave Roster' is arranged to meet, as far as possible, the wishes of each member of the staff, without in any way upsetting the normal operation of the Bank. To enable the 'Leave Roster' to be prepared, the staff is required to advise their Head of Department in December at the latest, for leave in the following January/June period, or in June, for leave in the following July/December period.

During the first year of service, vacation leave is calculated at the rate of 1/12 of the annual entitlement for each completed month of service. Staff, other than officers on secondment from the Government Service, should have completed at least six months service with the Bank before applying for their vacation leave. In calculating years of service for assessing vacation or other leave entitlement, previous service in the Government or with a Bank or other similar service as may be approved by the Bank, would be counted as service in the Bank provided it is continuous with Bank service.

The following is the entitlement of leave to members of the staff for each year of service:-

- (a) Non-clerical staff - 2 weeks
- (b) Executive and Clerical Staff:-

<u>Length of service</u>	<u>Above basic salary of \$220</u>	<u>Between basic salary \$515-920</u>	<u>Under basic salary \$515/-</u>
10 years of service or more	35 days	28 days	21 days
Less than 10 years service	28 days	21 days	14 days

Members of the staff is expected to take vacation leave during the year in which it is earned, but may, at the discretion of the Bank, accumulate such leave up to a maximum of four years for approved reasons. Leave which is not taken lapses after two years unless special approval has been granted for it to be accumulated.

On the question of sick leave, maternity leave, volunteer, military or defence leave, retirement and unrecorded leave for religious festivals, the Banks grants them on the same basis as provided in Government General Orders and Circulars.

One very interesting feature about vacation leave in the Bank is that members of the staff are allowed to apply for half-day recorded leave for personal reason. Authorisation of such leave is not contained in the Staff Rules and Conditions of Employment or in any Staff Circulars. It depends entirely on the discretion of the Head of Department concerned and the approving authority (Manager of Establishment Department). This practice is not encouraged by the Bank and various discussions have been carried out regarding the matter. However, since various officers have conflicting views regarding the halfday leave, no conclusive decision has been reached so far.

(v) Staff Association, Employees Provident Fund (E.P.F.) and Staff Provident Scheme (S.P.S.)

Besides enjoying the privileges already mentioned, staff members of the Bank can also enjoy the privilege of being a member of the Staff Association, member of the E.P.F. and member of the S.P.S. The Staff Association has tried its level best to look after the welfare of all members. To some degree it has achieved success. It has also submitted various proposals to the Bank for improvement of conditions and terms of employment. At the moment about 80% of the Bank Staff are members of the Association.

Since appointment in Bank Negara Malaysia is non-pensionable, employees are therefore required by law to contribute to the Employees Provident Fund. At the same time members of the staff are expected to pay their contributions to the Staff Provident Scheme, a scheme specially created for the benefits of the Staff of Bank Negara Malaysia. The contributions by members to the S.P.F.

is as follows:-

<u>Length of Member's service</u>	<u>% of member's salary contri-</u>	
	<u>bution by Member</u>	<u>Cont. by Bank</u>
Under 10 years service	5%	15%
10 years and over	7½%	17½%

If the member's contribution to the E.P.F. is more than the amount he has to pay to the S.P.F. then he need not contribute to the S.P.F. But if it is less, then the difference will be paid into the S.P.F.

Creation of the Staff Provident Scheme was in accordance with provision made under Section 15(3) of the Central Bank of Malaya Ordinance, 1958 which states that :-

" The Bank may, with the approval of the Minister, out of the funds of the Bank establish and maintain a pension fund for its officers and employees and their dependants."

Membership of the scheme is compulsory for all employees of the Bank, except the Governor, Deputy Governor, Officers on loan, secondment or contract or officers transferring from Government or other similar services, who are granted and elect to receive similar pension rights to those they were entitled to in Government or other similar services. But these officers can also be members of the scheme if they so wish, with approval of Minister of Finance in the case of Governor and Deputy Governor and the Board in the case of contract or seconded officers or officers on loan.

When the Provident Scheme was established in 1961 it was decided by the Board that it would be reviewed after five years of operation. So at the moment the Staff Committee is looking into the matter as to whether to continue the Scheme or to convert it into a Pension Scheme. So far no conclusive decision have been reached.

(d) Comparison of salary scale, cost of living allowance COLA and housing allowance in Bank Negara Malaysia, Central Electricity Board and Government Service.

In order to find out whether terms and conditions of service in Bank Negara Malaysia are really comparable to those in other statutory establishments and in Government Service, it is best to

examine them in relative to one another. It is impossible to compare every item in the terms and conditions of service, but to get a good picture of the situation, it is sufficient to compare the three main items, that is, salary scale, COLA and housing allowance. For the purpose of this comparison, I have selected Central Electricity Board as a case since it is also a statutory organisation like Bank Negara Malaysia. Government of terms and conditions of service.

It has to be pointed out also that it is not possible to compare the position of every appointment in these three organisations for they are not identical. As such only one appointment in each of the four groups of employment has been taken for comparison.

(a) For Senior Executive Group:

Secretary in Bank Negara Malaysia  
Secretary in C.E.B.  
and Super scale 'H' in Government  
Service.

(b) For Executive Group:

Administrative Assistant Bank Negara Malaysia  
Timescale 'B' Officer in C.E.B.  
and timescale officer in Malayan Civil Service  
in Government.

(c) For Supervisory Group:

Executive Cadet in Bank Negara Malaysia  
Executive Cadet in C.E.B.  
and officer in Malay Administrative Service  
in Government.

(d) For Clerical Group:

Clerks in all three organisations.

The comparability of the three appointments in each respective groups is based mainly on qualification requirements for the appointments and not on the responsibility or importance of the appointment to the organisation concerned.

(a) Senior Executive Group

Table 3 shows the salary scale, COLA and housing allowance for the Senior Executive Group. From the Table, it seems as if remuneration in Bank Negara Malaysia is comparable to that of the Government but slightly lower than that for C.E.B. But the Table only shows housing allowance for Government service as \$75/- In actual practice Division One Officers in Government Service are eligible for Rental Proposition, which has no limits. Therefore, if this is taken into consideration, which we must then the Government offers the best remuneration in all the three establishments.

Normally when an officer has reached his maximum basic salary and is considered deserving for promotion, the Bank would upgrade him to a higher post, carrying a higher basic salary. For example, the Chief Accountant, who has been drawing his maximum basic salary of \$1550 per month since June 1960, is now designated Adviser No.3, as well as being Chief Accountant. His new appointment entitles him to draw a basic salary of \$1,650/- per month. But such practice is also found in other organisation. A Super Scale 'H' Officer in Government Service is usually promoted to Superscale 'G', 'F' and so on when vacancy arises. So it seems that terms and conditions of service for the Senior Executive group is most favourable in Government Service.

\* Housing Allowances for Division One Officers

The stated \$75/- is the housing allowance of an officer who occupies own house or refuses Government Quarters. Division One Officers are eligible for Government Quarters. If quarters are not available, married officers in Division One and single officers with basic salary of \$795/- and above, are eligible for Renting Proposition. They are allowed to rent any private house without any limit, except that the home will be valued by the economic rental of the house. Renting Proposition is for permanent officers only. Temporary officers are eligible for Housing allowance only. In most cases the economic rent is the same as the current rent of the house.

**Table X**  
**Comparison of Remuneration in Bank Negara Malaysia, Central Electricity Board, and Government Service (Senior Executive)**

Secretary Bank Negara Malaysia				Secretary, C.E.B.				Administrative Officer (Superscale 'H') Govt. Service			
Salary Scale: \$1,400 x 50 - \$1,550				Salary Scale: \$1,760 (Fixed)				Salary Scale \$1,360 (Fixed)			
Salary	Cola	Hou- sing Allow.	Total	Salary	Cola	Hou- sing Allow.	Total	Salary	Cola	Hou- sing Allow.	Total
\$1,400	-(S) 153(M) 228(MC)	250 250 250	1,650 1,803 1,878	1,760	-(S) 90(M) 165(MC)	215 215 215	1,975 2,065 2,140	1,360	-(S) 155(M) 230(MC)	75 75 75	1,435 1,590 1,665
1,450	- 147 222	250 250 250	1,700 1,847 1,922								
1,500	- 138 213	250 250 250	1,750 1,888 1,963								
1,550	- 130 205	250 250 250	1,800 1,930 2,005								

(b) Executive Group

Table 11 shows the remuneration comparison for appointments in the Executive Group. The academic qualification requirements for these appointments in Honours Degree, C.E.B. on the other hand takes in even a Pass Degree holder. The comparison here is the same as that for the Senior Executive Group. Although an M.C.S. Officer has a lower basic salary, he has, however, unlimited Rental Proposition. As such he would be in far better position, financially, than officers in Bank Negara Malaysia or the C.E.B. However, the C.E.B. seems to offer a better salary scale. After two years of cadetship, an Administrative Assistant (Single) in C.E.B. is given a basic salary of \$730 per month and all-in salary of \$937.25. After two years in Bank Negara, an Administrative Assistant drawn a basic salary of \$680 and an all-in salary of \$884 only. The maximum all-in salary for Administrative Assistant in Bank Negara Malaysia is \$1,435 while maximum all-in salary for Administrative Assistant in C.E.B. is \$1,533.50. Even the position of Senior Administrative Assistant in Bank Negara Malaysia is unfavourable when compared with Senior Administrative Assistant in C.E.B. Again it seems that financially an officer in Executive Group is worse off than an officer in C.E.B. and in Government Service.

TABLE 11

Comparison of Remuneration in Bank Negara Malaysia  
Central Electricity Board and Government Service  
(Executive Group)

Administrative Asst. Bank Negara Malaysia Salary Scale: \$600x40-960/1,020x40-1,260				Administrative Asst. Timescale 'B' in C.E.B. Salary Scale: \$600x40-640/730x35 - 1,045			
Salary	Cola	Housing Allowance	Total	Salary	Cola	Housing Allowance	Total
\$	\$	\$	\$	\$	\$	\$	\$
600	57's) 157(m)	160 160	817 897	600(Cadet)	56.75 136.75	125 125	761.75 861.75
640	50 150	160 160	850 850	640	50.00 150.00	170 170	860.00 960.00
680	44 164	160 160	884 1,004	730	37.25 183.75	170 170	937.25 1,083.75
720	39 180	170 170	929 1,070	765	34.00 200.00	170 170	969.00 1,135.00
760	35 198	170 170	965 1,125	800	31.00 214.50	170 170	1,001.00 1,184.50
800	31 216	180 180	1,011 1,196	835	27.75 217.75	215 215	1,077.75 1,267.75
840	28 218 251(me)	180 180 180	1,048 1,238 1,251	870	229.00 24.50 214.50	215 215 215	1,279.00 1,109.50 1,299.50
880	24 214 246	180 180 180	1,084 1,274 1,306	905	241.75 21.25 211.25	215 215 215	1,326.75 1,141.25 1,331.25
920	20 210 260	200 200 200	1,140 1,330 1,380	940	254.50 13.00 208.00	215 215 215	1,374.50 1,173.00 1,363.00
960	17 207 275	200 200 200	1,177 1,367 1,435	975	267.25 15.00 205.00 230.00	215 215 215 215	1,422.25 1,209.00 1,395.00 1,470.00
Bar at \$960 and on promotion to Senior Administrative Assistant the Scale is \$1,020x40-\$1,260				1010	11.75 201.75 276.75	215 215 215	1,236.75 1,426.75 1,501.75
1020	11 201 276	250 250 250	1,281 1,471 1,546	1045	8.50 198.50 273.50	215 215 215	1,268.50 1,458.50 1,535.50
1060	8 198 273	250 250 250	1,318 1,508 1,583	(Timescale 'A' - Fully analified) Scale: \$1,120x35 - 1,330			
1100	4 194 269	250 250 250	1,354 1,544 1,619	1120	2.00 192.00 267.00	215 215 215	1,337.00 1,527.00 1,602.00
1140	- 190 265	250 250 250	1,390 1,580 1,655	1155	- 188.75 263.75	215 215 215	1,370.00 1,598.75 1,633.75
1180	- 187 262	250 250 250	1,430 1,617 1,692	1190	- 185.50 250.50	215 215 215	1,405.00 1,590.50 1,665.50
				1225	-	215	1,440.00

TABLE 11

on in Bank Negara Malaysia  
rd and Government Service  
ve Group)

Asst. Timescale 'B'

Salary Scale:

\$592 - 1,045

	Housing Allowance	Total	Administrative Service. Salary
	\$	\$	\$
5	125	761.75	592
5	125	861.75	
0	170	860.00	628
0	170	960.00	
5	170	937.25	662
5	170	1,085.75	
0	170	969.00	696
0	170	1,135.00	
0	170	1,001.00	730
0	170	1,184.50	
5	215	1,077.75	764
5	215	1,267.75	
0	215	1,279.00	798
0	215	1,109.50	
0	215	1,299.50	832
5	215	1,326.75	
5	215	1,141.25	866
5	215	1,351.25	
0	215	1,374.50	
0	215	1,173.00	900
0	215	1,363.00	
5	215	1,422.25	
0	215	1,209.00	934
0	215	1,395.00	
0	215	1,470.00	
5	215	1,236.75	962
5	215	1,426.75	
5	215	1,501.75	
0	215	1,268.50	1016
0	215	1,458.50	
0	215	1,535.50	
(Fully analified)			
- 1,330			1050
0	215	1,337.00	
0	215	1,527.00	
0	215	1,602.00	1084
0	215	1,370.00	
5	215	1,598.75	
5	215	1,633.75	1118
0	215	1,405.00	
0	215	1,590.50	
0	215	1,665.50	1152
0	215	1,440.00	

TABLE 12

Comparison of Remuneration in Bank Negara Malaysia  
Central Electricity Board and Government Service  
(Executive Group)

Administrative Asst. Timescale 'B'

in C.E.B.

Salary Scale:

\$600-640-640/730-35 - 1,045

Total	Salary	Cola	Housing Allowance	Total
\$	\$	\$	\$	\$
817	600(Cadet)	56.75	125	761.75
897		136.75	125	861.75
850	640	50.00	170	860.00
850		150.00	170	960.00
884	730	37.25	170	937.25
1,004		183.75	170	1,085.75
929	765	34.00	170	969.00
1,070		200.00	170	1,135.00
968	800	31.00	170	1,001.00
1,125		214.50	170	1,184.50
1,011	835	27.75	215	1,077.75
1,196		217.75	215	1,267.75
1,043		229.00	215	1,279.00
1,235	870	24.50	215	1,109.50
1,251		214.50	215	1,299.50
1,034		241.75	215	1,326.75
1,274	905	21.25	215	1,141.25
1,306		211.25	215	1,351.25
1,146		254.50	215	1,374.50
1,330	940	18.00	215	1,173.00
1,386		208.00	215	1,363.00
1,177		267.25	215	1,422.25
1,367	975	15.00	215	1,209.00
1,435		205.00	215	1,395.00
		280.00	215	1,470.00
	1010	11.75	215	1,236.75
		201.75	215	1,426.75
		276.75	215	1,501.75
1,281	1045	8.50	215	1,268.50
1,471		198.50	215	1,458.50
1,546		273.50	215	1,535.50
1,318	(Timescale 'A' - Fully analified)			
1,508	Scale: \$1,120-35 - 1,330			
1,583	1120	2.00	215	1,337.00
		192.00	215	1,527.00
1,354		267.00	215	1,602.00
1,544	1155	-	215	1,370.00
1,619		188.75	215	1,598.75
1,390		263.75	215	1,633.75
1,580	1190	-	215	1,405.00
1,655		185.50	215	1,590.50
		250.50	215	1,665.50
1,430	1225	-	215	1,440.00
1,617				
1,692				

TABLE 11

Comparison of Remuneration in Bank Negara Malaysia  
Central Electricity Board and Government Service  
(Executive Group)

Grade	Administrative Asst. Timescale 'B' in C.E.B. Salary Scale: \$600-10-640/730-35 - 1,045				Administrative Officer MCS. Govt. Service. Salary Scale: \$592. 628x34-934/Bar/982x34-1254			
	Total	Salary	Cola	Housing Allowance	Total	Salary	Cola	Housing Allowance
	\$	\$	\$	\$	\$	\$	\$	\$
817		600(Cadet)	56.75	125	761.75	592	58	80
897			136.75	125	861.75		134	80
850		640	50.00	170	860.00	628	52	80
850			150.00	170	960.00		146	80
884		730	57.25	170	937.25	662	48	80
1,004			183.75	170	1,083.75		160	80
929		765	34.00	170	969.00	696	44	80
1,070			200.00	170	1,135.00		174	80
968		800	31.00	170	1,001.00	730	40	80
1,125			214.50	170	1,184.50		188	80
1,011		835	27.75	215	1,077.75	764	36	80
1,196			217.75	215	1,267.75		202	80
1,049			229.00	215	1,279.00	798	32	80
1,235		870	24.50	215	1,109.50		216	80
1,251			214.50	215	1,299.50	832	28	80
1,084			241.75	215	1,326.75		218	80
1,274		905	21.25	215	1,141.25		228(mc)	80
1,306			211.25	215	1,331.25	866	24	80
1,140			254.50	215	1,374.50		214	80
1,330		940	18.00	215	1,173.00		239	80
1,380			208.00	215	1,363.00	900	20	80
1,177			267.25	215	1,422.25		210	80
1,367		975	15.00	215	1,209.00		250	80
1,435			205.00	215	1,395.00	934	16	80
			280.00	215	1,470.00		206	80
		1010	11.75	215	1,236.75		261	80
			201.75	215	1,426.75	982	18	80
			276.75	215	1,501.75		208	80
1,281		1045	8.50	215	1,268.50		283	80
1,471			198.50	215	1,458.50	1016	14	80
1,546			273.50	215	1,535.50		204	80
1,318		(Timescale 'A' - Fully analified)					279	80
1,508		Scale: \$1,120x35 - 1,330				1050	10	80
1,583		1120	2.00	215	1,337.00		200	80
1,354			192.00	215	1,527.00		275	80
1,544			267.00	215	1,602.00	1084	6	80
1,619		1155	-	215	1,370.00		196	80
1,390			188.75	215	1,598.75		271	80
1,580			263.75	215	1,633.75	1118	2	80
1,655		1190	-	215	1,405.00		192	80
1,430			185.50	215	1,590.50		267	80
1,617			250.50	215	1,665.50	1152	-	80
1,692		1225	-	215	1,440.00		188	80

TABLE 11

of Remuneration in Bank Negara Malaysia  
Electricity Board and Government Service  
(Executive Group)

Administrative Asst. Timescale 'B' in C.E.B. Salary Scale: \$600-640-730x35 - 1,045				Administrative Officer MCS. Govt. Service. Salary Scale: \$592, 628x34-954/Bar/982x34-1254			
Salary	Cola	Housing Allowance	Total	Salary	Cola	Housing Allowance	Total
\$	\$	\$	\$	\$	\$	\$	\$
0(Cadet)	56.75	125	761.75	592	58	80	730
	136.75	125	861.75		134	80	808
0	50.00	170	860.00	628	52	80	760
	150.00	170	960.00		146	80	854
0	57.25	170	937.25	662	48	80	790
	185.75	170	1,083.75		160	80	902
5	54.00	170	969.00	696	44	80	820
	200.00	170	1,155.00		174	80	948
0	51.00	170	1,001.00	730	40	80	850
	214.50	170	1,184.50		188	80	998
5	27.75	215	1,077.75	764	36	80	880
	217.75	215	1,267.75		202	80	1,046
0	229.00	215	1,279.00	798	32	80	910
	24.50	215	1,109.50		216	80	1,094
	214.50	215	1,299.50	832	28	80	940
5	241.75	215	1,326.75		218	80	1,130
	21.25	215	1,141.25		228(mc)	80	1,140
	211.25	215	1,331.25	866	24	80	970
	254.50	215	1,374.50		214	80	1,160
	18.00	215	1,173.00		239	80	1,185
	208.00	215	1,363.00	900	20	80	1,000
	267.25	215	1,422.25		210	80	1,190
	15.00	215	1,209.00		250	80	1,230
	205.00	215	1,395.00	954	16	80	1,030
	280.00	215	1,470.00		208	80	1,220
	11.75	215	1,236.75		261	80	1,275
	201.75	215	1,426.75	982	18	80	1,080
	276.75	215	1,501.75		208	80	1,270
	8.50	215	1,268.50		283	80	1,345
	198.50	215	1,458.50	1016	14	80	1,110
	273.50	215	1,535.50		204	80	1,300
imescale 'A' - Fully analified)					279	80	1,375
ale: \$1,120x35 - 1,330				1050	10	80	1,140
	2.00	215	1,337.00		200	80	1,330
	192.00	215	1,527.00		275	80	1,405
	267.00	215	1,602.00	1084	6	80	1,170
	-	215	1,370.00		196	80	1,360
	188.75	215	1,598.75		271	80	1,435
	263.75	215	1,633.75	1118	2	80	1,200
	-	215	1,405.00		192	80	1,390
	185.50	215	1,590.50		267	80	1,465
	250.50	215	1,665.50	1152	-	80	1,252
	-	215	1,440.00		188	80	1,420

720	164 59	170	1,000 929	765	183.75 34.00	170	1,000.00 989.00
760	180 35	170	1,070 968	800	200.00 51.00	170	1,135.00 1,001.00
	198	170	1,128		214.50	170	1,184.50
800	51	180	1,011	835	27.75	215	1,077.75
	216	180	1,196		217.75	215	1,267.75
840	28	180	1,048		229.00	215	1,279.00
	218	180	1,258	870	24.50	215	1,109.50
	231(mc)	180	1,251		214.50	215	1,299.50
880	24	180	1,084		241.75	215	1,326.75
	214	180	1,274	905	21.25	215	1,141.25
	246	180	1,306		211.25	215	1,351.25
920	20	200	1,140		254.50	215	1,374.50
	210	200	1,330	940	18.00	215	1,173.00
	260	200	1,380		208.00	215	1,363.00
960	17	200	1,177		267.25	215	1,422.25
	207	200	1,367	975	15.00	215	1,209.00
	275	200	1,435		205.00	215	1,395.00
Bar at \$960 and on promotion to Senior Administrative Assistant the Scale is \$1,020x40-\$1,260					280.00	215	1,470.00
1020	11	250	1,281	1010	11.75	215	1,236.75
	201	250	1,471		201.75	215	1,426.75
	276	250	1,546		276.75	215	1,501.75
1060	8	250	1,318	1045	8.50	215	1,268.50
	198	250	1,508		198.50	215	1,458.50
	275	250	1,583		273.50	215	1,535.50
				(Timescale 'A' - Fully analyzed) Scale: \$1,120x35 - 1,330			
1100	4	250	1,354	1120	2.00	215	1,337.00
	194	250	1,544		192.00	215	1,527.00
	269	250	1,619		267.00	215	1,602.00
1140	-	250	1,390	1155	-	215	1,370.00
	190	250	1,580		188.75	215	1,598.75
	265	250	1,655		263.75	215	1,633.75
1180	-	250	1,430	1190	-	215	1,405.00
	187	250	1,617		185.50	215	1,590.50
	262	250	1,692		250.50	215	1,665.50
1220	-	250	1,470	1225	-	215	1,440.00
	181	250	1,651		182.25	215	1,622.25
	256	250	1,726		257.25	215	1,697.25
1260	-	250	1,510	1260	-	215	1,475.00
	176	250	1,686		175.25	215	1,650.25
	251	250	1,761		250.25	215	1,725.25
				1295	-	215	1,510.00
					169.50	215	1,679.50
					244.50	215	1,754.50
				1330	-	215	1,545.00
					163.75	215	1,708.75
					238.75	215	1,783.75

34.00	170	969.00	696
200.00	170	1,135.00	
51.00	170	1,001.00	730
214.50	170	1,184.50	
27.75	215	1,077.75	764
217.75	215	1,267.75	
229.00	215	1,279.00	798
24.50	215	1,109.50	
214.50	215	1,299.50	832
241.75	215	1,326.75	
21.25	215	1,141.25	
211.25	215	1,331.25	866
254.50	215	1,374.50	
18.00	215	1,175.00	
208.00	215	1,363.00	900
267.25	215	1,422.25	
15.00	215	1,209.00	
205.00	215	1,395.00	934
280.00	215	1,470.00	
11.75	215	1,236.75	
201.75	215	1,426.75	982
276.75	215	1,501.75	
8.50	215	1,268.50	
198.50	215	1,458.50	1016
273.50	215	1,535.50	

Scale 'A' - Fully analified)  
: \$1,120x35 - 1,330

2.00	215	1,337.00	1050
192.00	215	1,527.00	
267.00	215	1,602.00	1084
-	215	1,370.00	
188.75	215	1,598.75	
263.75	215	1,633.75	1118
-	215	1,405.00	
185.50	215	1,590.50	
250.50	215	1,665.50	1152
-	215	1,440.00	
182.25	215	1,622.25	
257.25	215	1,697.25	1186
-	215	1,475.00	
175.25	215	1,650.25	
250.25	215	1,725.25	1220
-	215	1,510.00	
169.50	215	1,679.50	
244.50	215	1,754.50	1254
-	215	1,545.00	
163.75	215	1,708.75	
238.75	215	1,783.75	-

929	765	54.00	170
1,070		200.00	170
964	800	51.00	170
1,125		214.50	170
1,011	835	27.75	215
1,196		217.75	215
1,048		229.00	215
1,235	870	24.50	215
1,257		214.50	215
1,084		241.75	215
1,274	905	21.25	215
1,306		211.25	215
1,140		254.50	215
1,330	940	18.00	215
1,380		208.00	215
1,177		267.25	215
1,367	975	15.00	215
1,435		205.00	215
		280.00	215
	1010	11.75	215
		201.75	215
		276.75	215
1,281	1045	8.50	215
1,471		198.50	215
1,540		273.50	215

(Timescale 'A' - Fully analified)  
Scale: \$1,120x35 - 1,330

1,318	1120	2.00	215
1,506		192.00	215
1,585		267.00	215
		-	215
1,354		188.75	215
1,544	1155	263.75	215
1,619		-	215
1,390		185.50	215
1,580	1190	250.50	215
1,655		-	215
1,430		182.25	215
1,617		257.25	215
1,692	1225	-	215
		175.25	215
1,470		250.25	215
1,651	1260	-	215
1,726		169.50	215
		244.50	215
1,510		-	215
1,686	1295	163.75	215
1,761		238.75	215
	1330		

929	765	54.00	170	989.00	696	44	80	
1,070		200.00	170	1,155.00		174	80	
965	800	51.00	170	1,001.00	730	40	80	
1,128		214.50	170	1,184.50		188	80	
1,011	835	27.75	215	1,077.75	764	56	80	
1,190		217.75	215	1,267.75		202	80	
1,048		229.00	215	1,279.00	798	52	80	
1,238	870	24.50	215	1,109.50		216	80	
1,251		214.50	215	1,299.50	832	23	80	
1,084		241.75	215	1,328.75		218	80	
1,274	905	21.25	215	1,141.25		223(mo)	80	
1,306		211.25	215	1,331.25	866	24	80	
1,140		254.50	215	1,374.50		214	80	
1,330	940	18.00	215	1,173.00		239	80	
1,380		208.00	215	1,363.00	900	20	80	
1,177		267.25	215	1,422.25		210	80	
1,367	975	15.00	215	1,209.00		250	80	
1,435		205.00	215	1,395.00	934	16	80	
		280.00	215	1,470.00		206	80	
	1010	11.75	215	1,236.75		261	80	
		201.75	215	1,426.75	982	18	80	
		276.75	215	1,501.75		208	80	
1,281	1045	8.50	215	1,268.50		283	80	
1,471		198.50	215	1,458.50	1016	14	80	
1,546		273.50	215	1,535.50		204	80	
1,318		(Timescale 'A' - Fully analified)				279	80	
1,506		Scale: \$1,120x35 - 1,330			1050	10	80	
1,583	1120	2.00	215	1,337.00		200	80	
1,354		192.00	215	1,527.00		275	80	
1,544		267.00	215	1,602.00	1084	6	80	
1,619	1155	-	215	1,370.00		196	80	
1,390		188.75	215	1,598.75		271	80	
1,580		263.75	215	1,653.75	1118	2	80	
1,655	1190	-	215	1,405.00		192	80	
1,430		185.50	215	1,590.50		267	80	
1,617		250.50	215	1,665.50	1152	-	80	
1,692	1225	-	215	1,440.00		188	80	
1,470		182.25	215	1,622.25		263	80	
1,651		257.25	215	1,697.25	1186	-	80	
1,726	1260	-	215	1,475.00		184	80	
1,510		175.25	215	1,650.25		259	80	
1,686		250.25	215	1,725.25	1220	-	80	
1,761	1295	-	215	1,510.00		180	80	
		169.50	215	1,679.50		255	80	
		244.50	215	1,754.50	1254	-	80	
	1330	-	215	1,545.00		176	80	
		163.75	215	1,708.75		251	80	
		238.75	215	1,783.75	-	-	-	

Foot Note: Housing Allowance for married officers and those with sal of \$795/- and above, they h the option of Rental Propos

170	989.00	696	44	80	820
170	1,135.00		174	80	948
170	1,001.00	730	40	80	850
170	1,184.50		168	80	998
215	1,077.75	764	36	80	880
215	1,267.75		202	80	1,046
215	1,279.00	798	32	80	910
215	1,108.50		216	80	1,094
215	1,299.50	832	28	80	940
215	1,326.75		218	80	1,130
215	1,141.25		228(mc)	80	1,140
215	1,351.25	866	24	80	970
215	1,374.50		214	80	1,160
215	1,175.00		239	80	1,185
215	1,363.00	900	20	80	1,000
215	1,422.25		210	80	1,190
215	1,209.00		250	80	1,230
215	1,395.00	934	16	80	1,030
215	1,470.00		206	80	1,220
215	1,236.75		261	80	1,275
215	1,426.75	982	18	80	1,080
215	1,501.75		208	80	1,270
215	1,268.50		283	80	1,345
215	1,458.50	1016	14	80	1,110
215	1,535.50		204	80	1,500
ully analified)			279	80	1,375
1,330		1050	10	80	1,140
215	1,337.00		200	80	1,530
215	1,527.00		275	80	1,405
215	1,602.00	1084	6	80	1,170
215	1,370.00		196	80	1,360
215	1,598.75		271	80	1,435
215	1,633.75	1118	2	80	1,200
215	1,405.00		192	80	1,390
215	1,590.50		267	80	1,465
215	1,665.50	1152	-	80	1,252
215	1,440.00		188	80	1,420
215	1,622.25		263	80	1,495
215	1,697.25	1186	-	80	1,266
215	1,475.00		184	80	1,450
215	1,650.25		259	80	1,525
215	1,725.25	1220	-	80	1,300
215	1,510.00		180	80	1,480
215	1,679.50		255	80	1,555
215	1,754.50	1254	-	80	1,334
215	1,545.00		176	80	1,560
215	1,708.75		251	80	1,585
215	1,783.75	-	-	-	-

Foot Note: Housing Allowance for married officers and those with salary of \$795/- and above, they have the option of Rental Proposition.

(c) Supervisory Group

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Table III shows the remuneration comparison of appointments in Supervisory Group. The Bank and the Government requires a Pass Degree for direct employment as Executive Cadet and Malay Administrative Officer respectively. C.E.B., however, made no distinction between an Honours Degree and a Pass Degree. If a Pass Degree holder is employed, he will be placed on the same salary scale as that of an Honours Degree holders, that is on Timescale 'B' as given in Table II. However, only one Pass Degree holder is in the service of the C.E.B. at the moment. But the fact that it gives equal recognition to a Pass Degree as that of Honours Degree is very important, especially with the present structure for the award of Degrees by our University. So definitely, employment with C.E.B. is the next best for a Pass Degree man.

Compared with Malay Administrative Officer, Executive Cadet in Bank Negara Malaysia is in a very unfavourable position. An Executive Cadet begins with an all-in salary of \$590/- per month and reached to a maximum all-in salary of \$1,080/- per month after 11 years of service. A Malay Administrative Officer on the other hand, although, according to the Table, he seems to get a lower salary and lower increment, but we must remember that he is eligible for Government Quarters. And in the district, the quarters for these officers are gazetted as such that they are certain to be provided with one. Further more, once a Malay Administrative Officer has passed his M.C.S. Law, there is every possibility that he will be promoted to the Malayan Civil Service. An Executive Cadet on the other hand will not find it easy to be promoted to Administrative Assistant, unless he attains extra qualifications or exceptionally outstanding in the performance of his duties. Further more, there is too great a competition from within and without for the limited post of Administrative Assistant.

It is little wonder, therefore, that of the 14 Executive Cadets in Bank Negara Malaysia, only 3 are holders of Pass Degree. The rest have only professional qualifications which are of little value to other organisation except in banking circle. Unless the Bank review the position of Pass Degree in its service, it will not be able to attract them into its service. Even the Bank University Scholars, bound by contract to serve for five years after graduation, are trying to get out of the Bank. They feel that they are being given a raw deal by the Bank and that they can be better off elsewhere. On the Bank's part, it would not be to its advantage to enforce the terms of the Scholarship Agreement, for, though it may be able to keep these graduates in the Bank of five years, it will not get the best out of them, for under present terms and conditions of service, they are rather unwilling and frustrated. What the Bank should do is to improve the terms and conditions of service for the Pass Degree holders so that they will be willing, of their own accord, to join the Bank.

5  
**TABLE III**

Comparison of remuneration in Bank Negara  
Malaysia, Central Electricity Board and  
Government Service (Supervisory Group)

Executive Cadet, Bank Negara Malaysia. Salary Scale: \$400 x 30 - 720				Central Electricity Board	Malay Administrative Service Government Service Salary Scale: \$415/Exam/450/478x25-578/ Bar/615x25-815			
Salary	Cola	Housing Allowance	Total		Salary	Cola	Housing Allowance	Total
\$	\$	\$	\$		\$	\$	\$	\$
400	80	110	590	Employment on Timescale 'B' No distinction is made between Honours Degree and Pass Degree. Both are employed on same salary scale.	415	82.50	70	567.50
430	86	110	626		450	90.00	70	610.00
460	88(S) 94(M)	110	658		478	82.00	70	630.00
490	81	110	681			(s) 96.00	70	644.00
520	103	110	703			(m) 77.00	70	650.00
550	74	130	724		503	105.00	70	678.00
580	112	130	762		528	72.00	120	720.00
610	67	150	747			114.00	120	762.00
640	121	150	801		553	67.00	120	740.00
670	57	160	817			123.00	120	796.00
700	157	160	897		578	62.00	120	760.00
730	52	160	842			132.00	120	830.00
760	147	160	957		615	55.00	120	790.00
790	47	160	867			145.00	120	880.00
820	157	160	977		640	50.00	120	810.00
850	42	160	892			150.00	120	910.00
880	167	160	1017		665	45.00	120	830.00
910	39	160	919			157.00	120.	942.00
940	180	160	1060		690	40.00	120	894.00
						164.00	120	974.00
					715	35.00	120	870.00
						171.00	120	1006.00
					738	42.00	120	900.00
						196.00	120	1054.00
					763	37.00	120	920.00
						203.00	120	1086.00
					788	32.00	120	940.00
						210.00	120	1118.00
					813	27.00	120	960.00
						217.00	120	1150.00

(d) Clerical Group

6

Table IV shows remuneration comparison for the Clerical Group. Academic qualification requirements is that the applicant should possess an Oversea School Certificate with credits in English and Malay. The Bank also requires credit in Mathematics. From the table, it is clear that clerical officers in the Bank is the best paid of all. They get an initial all-in salary of \$240/- and a maximum all-in salary of \$781/- per month. At the same time, according to Staff Circular No.17 Clerical Officers will have every chance of being considered for appointments as Executive Cadets. Therefore, for a School Certificate holders with necessary credits, appointment in Bank Negara Malaysia seems to be most attractive. Once they are employed, they have no worry of departmental examinations as in the case of Government clerks. They can devote their spare times to study for professional qualifications such as Australian Institute of Bankers and Australian Society of Accountants or studying for Higher School Certificate with the ultimate aim of joining the University. At the moment 6 of the clerical officers are on no pay study leave at the University of Malaya and 5 more will be joining this year. At the same time 4 have passed the Australian Institute of Bankers' examinations and 19 others are undergoing the course.

In general, it can be said that terms and conditions of service in Bank Negara Malaysia are comparable to those in Government and in C.E.B. However, for certain appointments, especially those for Pass Degree holders, the terms and conditions of service in Bank Negara Malaysia are very poor. Immediate attention should be given to this matter if the Bank hopes to recruit any Pass Degree holders into its service.

Clerical Officer, Bank Negara Malaysia  
Salary Scale:  
\$160x10-180/200x15-440/460x15-550

\$160

Salary \$	Cost \$	Housing Allowance \$	Total \$	Salary \$
160	25	55	240	160.00
170	28	55	253	167.75
180	30	55	265	175.00
200	35	75	310	227.00
215	38	75	328	242.00
230	42	75	347	257.00
245	45	75	365	290.00
260	49	75	384	305.00
275	52	75	402	320.00
290	56	75	421	335.00
305	59	90	454	350.00
320	63	90	473	365.00
335	66	90	491	380.00
350	68	90	509	395.00
365	72	90	527	410.00
380	75	90	545	425.00
395	79	90	564	440.00
410	82	110	602	455.00
425	85	110	620	
440	88	110	638	470.00
460	88(a) 94(m)	110	658	
		110	664	485.00
475	85	110	670	
	98	110	688	500.00
490	81	110	681	
	105	110	705	515.00
505	78	110	693	
	107	110	722	530.00
520	74	110	704	
	112	110	742	
535	71	110	716	
	117	110	762	
550	67	110	727	
	121	110	781	

TABLE IV 5

Comparison of Remuneration  
Central Electricity Board  
(Central Group)

Clerical Service, Central Electricity Board. Salary Scale: \$160x7.50 - 175/227x15 - 257/290x15 - 440/455x15-530		
Total	Salary	Cola
\$	\$	\$
240	160.00	25.00
255	167.75	26.75
265	175.00	28.50
310	227.00	41.25
328	242.00	44.50
347	257.00	47.75
365	290.00	55.25
384	305.00	58.75
402	320.00	62.25
421	335.00	62.50
454	350.00	68.75
473	365.00	72.00
491	380.00	75.00
509	395.00	78.00
527	410.00	81.00
545	425.00	84.00
564	440.00	87.00
602	455.00	89.00 (s)
620		91.50 (m)
638	470.00	85.50
658		96.00
664	485.00	82.00
670		100.50
688	500.00	78.50
681		105.00
705	515.00	75.00
695		109.50
722	530.00	71.50
704		114.00
742		
716		
762		
727		
781		

TABLE IV 6

Comparison of Remuneration in Bank N  
Central Electricity Board and Gover  
(Central Group)

Clerical Service, Central Electricity Board. Salary Scale: \$160x7.50 - 175/227x15 - 257/290 x 15 - 257/290x15 - 440/455x15-530		
Salary	Cola	Housing Allowance
\$	\$	\$
.00	25.00	45
.75	26.75	45
.00	28.50	45
.00	41.25	45
.00	44.50	45
.00	47.75	70
.00	55.25	70
.00	58.75	70
.00	62.25	70
.00	62.50	70
.00	68.75	70
.00	72.00	45
.00	75.00	70
.00	78.00	70
.00	81.00	95
.00	84.00	95
.00	87.00	95
.00	89.00 (s)	95
.00	91.50 (m)	95
.00	85.50	95
.00	96.00	95
.00	82.00	95
.00	100.50	95
.00	78.50	95
.00	105.00	95
.00	75.00	125
.00	109.50	125
.00	71.50	125
.00	114.00	125

TABLE IV 6

Comparison of Remuneration in Bank Negara Malaysia  
Central Electricity Board and Government Service  
(Central Group)

Clerical Service, Central Electricity Board. Salary Scale: 0x7.50 - 175/227x15 - 257/290 x 15 257/290x15-440/455x15-550			General Clerical Government Salary \$140x8 - 156/Exam/230x 420/Eff. Bar/4	
Cola \$	Housing Allowance \$	Total \$	Salary \$	Cola \$
25.00	45	250.00	140.00	20.35
26.75	45	259.25	148.00	22.20
28.50	45	248.50	156.00	24.05
41.25	45	313.25	230.00	41.35
44.50	45	331.50	245.00	44.85
47.75	70	374.75	260.00	48.35
55.25	70	415.25	300.00	57.65
58.75	70	433.75	315.00	61.05
62.25	70	452.25	330.00	64.30
62.50	70	470.50	345.00	67.50
68.75	70	488.75	360.00	70.70
72.00	45	507.00	375.00	73.95
75.00	70	525.00	390.00	77.20
78.00	70	543.00	405.00	80.35
81.00	95	586.00	420.00	83.55
84.00	95	604.00	445.00	88.95
87.00	95	622.00	460.00	87.70(s)
89.00 (s)	95	639.00		93.10(m)
91.50 (m)	95	641.50	475.00	84.25
85.50	95	650.50		97.70
96.00	95	661.00	490.00	80.75
82.00	95	662.00		102.30
100.50	95	680.50	505	77.30
78.50	95	673.50		106.90
105.00	95	700.00	520.00	73.85
75.00	125	715.00		111.55
109.50	125	749.50	535.00	70.45
71.50	125	726.50		116.15
114.00	125	769.00		

General Clerical Service

Government Service:

Salary Scale:

\$140x8 - 156/Exam/230x15-260/Exam/300x15 -  
420/Exp.Bar/445x15 - 535

Total	Salary	Cola	Housing Allowance	Total
\$	\$	\$	\$	\$
230.00	140.00	20.35	32.00	192.35
239.25	148.00	22.20	32.00	202.20
248.50	156.00	24.05	32.00	212.05
313.25	230.00	41.35	52.50	325.85
331.50	245.00	44.85	52.50	342.35
374.75	260.00	48.35	52.50	360.85
415.25	300.00	57.65	52.50	410.15
433.75	315.00	61.05	52.50	428.55
452.25	330.00	64.30	52.50	446.80
470.50	345.00	67.50	52.50	465.00
488.75	360.00	70.70	52.50	483.20
507.00	375.00	73.95	52.50	501.45
525.00	390.00	77.20	52.50	519.70
543.00	405.00	80.35	52.50	537.85
586.00	420.00	83.55	52.50	556.05
604.00	445.00	88.95	52.50	586.45
622.00	460.00	87.70(s)	52.50	600.20
639.00		93.10(m)	52.50	605.60
641.50	475.00	84.25	52.50	611.75
650.50		97.70	52.50	625.20
661.00	490.00	80.75	52.50	623.25
662.00		102.30	52.50	644.80
680.50	505	77.30	52.50	634.80
673.50		106.90	52.50	684.40
700.00	520.00	73.85	70.00	663.85
715.00		111.55	70.00	701.55
749.50	535.00	70.45	70.00	675.45
726.50		116.15	70.00	721.15
769.00				

#### 4. TRAINING AND DEVELOPMENT

If employees are to develop and use their highest skills and abilities in the right direction they must have opportunities for self-development. The path ahead must be kept open for them, so that they can look forward to jobs requiring higher skills and greater responsibilities. Means must be provided for the frequent appraisal of employees, with evaluations of their progress and improvement. In addition Management should establish and maintain some forms of training programme, be it formal or informal, locally or otherwise.

New employees must be trained for the specific jobs they are to perform. Experienced employees require training to fit themselves for more responsible and difficult positions commanding higher pay, as well as to prepare them for technological and organisational changes. Employees may be given training to improve their performance in the jobs they fill at present. Supervisors may be given a wide range of training opportunities, based on increasing recognition. Of the need for greater competence in supervision. For the executives training may be provided as a means of improving performance and developing capabilities for higher management positions.

For training programme to be useful, proper objectives and goals of Management must be clearly understood and defined. Policies establish numerous goals for specific training programme.

Some of them may be expected to prepare recruits for particular jobs, to improve the job performance of experienced employees, reduce absenteeism and tardiness, speed employee adaptation to job changes and new assignments, eliminate misunderstandings and prevent grievances, improve supervision, and develop leadership. From this list, which is by no means exhaustive, it is clear that training programmes in employment are like other educational activities; they are regarded as something of a panacea. Management frequently expect them to work wonders in solving all sorts of problems.

To implement and achieve the objectives specified in training policy, many different types of training are offered to employees. Among the widely recognised types of courses are job training, professional training for staff positions, apprenticeship training, supervisory training, management training, induction and orientation training, office training and others.

The type of training that will be suitable and useful to an employee will of course depend on the nature of the job he is expected to perform in the establishment. Some groups of employees may be given greater and more intensive training than others, and some may be required to undergo specialised training overseas. Whatever the case may be, types of training will depend on the objectives and goals of the employer or top management.

Since central banking is still in its infancy in Malaysia, it is necessary therefore for Bank Negara Malaysia to have a proper training programme for its employees. The functions and duties of a Central Bank are vital to the economy of the country and unless the staff of the Bank is efficient and well-trained, the Bank will not be able to carry out its important functions.

When the Bank was first established in 1959, it had to rely on trained and experienced officers from the commercial banks and from the Government Service. At the same time seconded officers from other Central Banks, namely the Bank of England, Reserve Bank of Australia and the Reserve Bank of India, played a very important role in organising the various departments of the Bank. Some of these officers have returned to their respective countries and been replaced by other seconded officers who carry on their important duty of organising and planning the development of the Bank. However, the supply of experienced officers in banking is rather limited in Malaysia and at the same time, being an independent sovereign nation, it would not be proper for us to rely indefinitely on the services of officers from the other Central Banks. Out of necessity and perhaps for political reasons, it is necessary for Bank Negara Malaysia to train its own staff. The supply of educated men is abundant in Malaysia. From this reservoir, it is possible to train young men and women to hold responsible positions in the field of Central Banking.

Realising the importance of a well-trained staff, Bank Negara Malaysia conducts training programmes which are intended for all grades of officers. Training programmes in the Bank are both formal and informal, organised locally or overseas and may take the form of seminars, conferences or residential courses. These training programmes can be classified under four main headings:-

- (a) Job Training Programme
- (b) Local courses and seminars
- (c) Oversea Courses and Conference
- (d) Financial Aid for studies.

Where possible, the Bank has participated in all the above courses, seminars and conferences. But due to shortage of staff, its participation is rather limited. However, every effort is being made by the Bank to send more officers for these courses, seminars and conferences as they are highly beneficial to the officer concerned and to the Bank ultimately.

(a) Job Training Programme

In terms of the numbers involved, job training is usually the most extensive. It is designed to aid each employee in learning how best to perform his particular job. It is specific, practical and tangible. In such training, the message to be carried to the trainee is essentially: "This is how we do the job". From the standpoint of the trainee, the programme, answers a question in which he knows he must be interested - how to make good of his job.

Actual training in job performance is generally undertaken either on-the-job or in special schools, depending principally on the number of trainees to be instructed at any particular time. However, to have trainees trained in special schools can be fairly expensive and further more there are no schools in Malaysia which can give training in banking procedure. As such Bank Negara Malaysia carries out its training for its employees on-the-job.

On joining, everyone is required to undergo job training by the Bank. The training given varies according to the nature of job the trainee is required to perform. As such there is no fixed duration for the training period but depends on individual cases. Normally the training period will last for about three months or so.

For office-boys, the training is very simple and very brief. On joining the Bank, they are attached to a particular department and they have to acquaint themselves with the different departments of the Bank for they will be required to carry messages, files and other documents from one department to the other. They are also required to know the location of other important institutions or organisations, such as the Treasury, General Post Office, Government Offices and commercial banks with which the Bank has dealings. After about a week, they are left on their own to carry on their job.

For typists, and stenographers, no proper training is required. However, before joining the bank, they have to sit for the Bank's examination to test their typing speed and accuracy. On joining, they are posted to one of the departments and they have to familiarise themselves with the office set-up. They are expected to begin proper work once attached to a department.

Machinists are employed for the Banking Operations Department. There is no proper instructor who undertakes the job of training these new machinists. They have to master the machines on their own, with occasional help of their more experienced counter-parts. Machinists for the Branch Offices are first posted to the Head Office in Kuala Lumpur to gather necessary experience and know-how before being posted to the respective Branches. Normally they are with the Head Office for six months. This practice is also applicable to Clerical Officers for the Branches.

Clerical Officers, on joining the Bank, are posted direct to the department they will be working. They are introduced to their specific duty and under the guidance of their immediate officers, they have to learn their particular job. Normally close supervision of their work is kept for about three months, by which time they are expected to know their job well enough without requiring constant direction and instruction from their superiors. In the later part of their career, they will be given a chance to attend the General Training Course conducted annually by the Bank specifically for them.

As for officers in the Supervisory and Executive Groups, their training programme differs from those already mentioned. In normal circumstances, they are required to learn the functions of the various departments in the Bank so as to get an overall picture of the work and functions of Bank Negara Malaysia. On joining the Bank, they are posted to each department for a short period of about a week or so. The Head of Department concerned will then draw up a training programme for the officer to follow during the course of his stay in the department. The programme covers every aspect of work carried out by the department. During the course of his training the officer is under direct supervision of the Head of Department. Once his training in that particular department is over, he will then move to the next department and so on until he has learnt the function and duties of all the seven departments in the Bank. All in all, the training period for these officers lasts for about fourteen weeks.

In some cases however, the officers may not be required to undergo this training programme immediately he joins the Bank. However, an officer may be employed in a particular job whenever his service is urgently needed. In such cases the officer concerned will be posted direct to the department concerned and within a week

or so he has to familiarise himself with the work and functions of that department. For example, Inche Din Merican, an Administrative Assistant recruited by the Bank to cater for the pressing personnel problems in the Bank.

However this should be regarded as an exception rather than the rule. Such officers will be given a chance to learn the functions and work of the other departments in due course.

Senior officers, particularly Heads of Departments are given every little formal training. On joining the Bank, they are required to familiarise themselves with the functions and duties of all departments in the Bank. They do this at their own initiative without anyone supervising or urging them on. Normally the time given for them to get an overall picture of the Bank is rather short as the Bank is in urgent need of their services. However only two of these Heads of Department, namely the Manager of Establishment Department and the Secretary, have joined the Bank direct as Heads of Departments. The rest have risen from the ranks and already know the functions and duties of all the departments in the Bank before they assumed the post of Heads of Departments.

At the moment, on-the-job training is most prevalent in the Bank. This is because the Bank is undergoing very rapid expansion and is experiencing a shortage of staff. There is no time to train these staff in a proper institution locally or overseas. Their services are urgently needed and the only way out is for the Bank to recruit and train them on-the-job. These officers will be given later a chance to attend training courses that are relevant and useful for efficient performance of their duties in the Bank.

Besides providing on the job-training, the Bank also carries out job rotation system within the department and inter departmentally. The main objective of this system is to give a chance to every officer to know the working and functions of the other departments thoroughly. This is useful to the Bank as these officers will be in a position to take up the work of any officer in other departments as and when he is required, as a replacement or to stand in when the officer concerned is away on study leave or for other reasons. Inter-departmental job rotation is more for supervisory and executive officers, particularly Executive Cadets and Administrative Assistants, for they are often required to take up appointments in other departments from time to time. By providing them with training on the job and job rotation, these officers will become fairly competent to handle any job, within the Bank, assigned to them.

(b) Local Courses and Seminars

There are many courses and seminars held locally which have some bearing on Central Banking, economic development, or management and which would be beneficial of r Bank officers to attend. Where possible the Bank would participate in all these courses and seminars, but due to the shortage of staff, it has not been able to do so. However, the Bank makes a special effort to send its officers to attend the four main courses, held locally, namely General Training course organised by Bank Negara Malaysia itself. Residential course in Advanced Management conducted by University of Singapore, Residential Advanced Management Seminar organised by the National Productivity Centre and finally Management Accounting course also organised by the National Productivity Centre.

The selection of candidates for training is based on the requirement of the Bank. Normally a Selection Exercise is carried out annually to choose the right candidate, taking into consideration the suitability of his qualification and experience with a view to recruiting an officer with potentiality for improvement in his job.

At the end of 1958 and during the early part of 1959 pioneer staff of the Bank were given intensive training programme conducted by officers from the Commonwealth Bank of Australia. Most of these pioneer officers already had experience in Government Service, commercial banking and other organisation. What they needed was just a matter of reorientation and induction for Central Banking work. Ultimately this training programme developed into the General Training Course for staff.

The object of the General Training Course is to enable the participants to have a general knowledge of the workings of the Bank. They are given the opportunity of learning the various functions of the Central Bank as an organisation and the work carried out by each department in the Bank. In this way it is hoped that the field of interest of the officers will be wider extending beyond the walls of his immediate environment and present job. By making them aware of what the others are doing within the organisation, it is hoped that the officers will be more tolerant and co-operative in executing their daily duties in the Bank. Thus with such co-operation and understanding, there will be greater harmony and efficiency all round.

The General Training Course is intended for members of the staff who have served the Bank for more than six months and have not attended previous training courses. However, at the moment, the course is specially for Clerical Officers only. It is hoped that courses of this nature would bridge the gaps of the knowledge and experience between the members of the staff in different departments. The Bank considers it very important that:-

"In a close and sheltered organisation like ours we should keep the spirit of learning alive, and if our first attempt proves to be worth the effort we should venture further to encourage members of our staff to attend other courses so that they may have a much broader outlook beyond the scope of pure banking." 59

In April 1961, a course similar to the General Training Course was conducted by Mr. R. W. Storr, a seconded officer from the Commonwealth Bank of Australia, 16 clerical officers participated in the course which was held at the Banking Chamber of Bank Negara Malaysia. Due to the success of this course, the Bank decided to hold a similar course the following year. The first formal General Training Course was held in March 1962, when 14 Clerical Officers from the Head Office and one from Penang Branch participated. Lectures were given by Heads of Departments and were held twice weekly. The course lasted for 2½ months, at the end of which seminars were held to enable the participants to participate actively and present their views and suggestions.

Though it was decided to hold the General Training Course annually, however, the Bank was not able to hold one in 1963, due to one reason or another. So the Second General Training Course was held from October 12 to October 16, 1964. This time it was a residential course held at the Staff Training Centre at Petaling Jaya. 15 Clerical Officers from the Head Office, 2 from Penang Branch and 5 from Singapore Branch attended the course. The course was similar to the first one held by the Establishment Department and was met with similar success.

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39. Extract from a memorandum by the Establishment Department to the Governor on the proposed First General Training Course for Staff to be organised by the Establishment Department (28/2/62).

This year the Third General Training Course will be held from May 24 to May 29, 1965. 15 Clerical Officers from the Head Office and 4 from Singapore Branch have been selected to attend the course which will be held again at the Staff Training Centre. Penang Branch is unable to send anyone to attend as all those eligible to attend had already attended previous courses. The Bank is certain that this course will be met with similar success as in the past.

From March 4 to March 15, 1965, the University of Singapore organised a Residential Course in Advanced Management. The course was for both young and mature officers from Executive upward designed to meet the needs of business firms and Government agencies wishing to develop administrative and Executive Officers for roles of greater responsibilities. The Governments and various organisations were invited to send in their candidates for the course. The Bank nominated Inche Ismail bin Dato Abdullah, an Administrative Assistant, to attend the course. According to him the course was stimulating, useful and beneficial to him and to the Bank ultimately. Another officer, Inche Tan Hock Seng, Manager of Penang Branch was sent to attend the second course held from February 28 to March 12, 1965. The Bank hopes to send more officers to these courses in the near future.

Another active organisation which conducts courses and seminars pertaining to Management and business administration is the National Productivity Centre. On January 20, 1964, the first Malaysian Residential Advance Management Seminar was conducted by the Centre at Cameron Highlands. It lasted 9 days. The course was conducted more or less on the same basis as the Residential course in Advance Management by the University of Singapore. Inche A.J. Skelchy, Acting Assistant Chief Accountant, represented the Bank at the Seminar.

Another course organised by the National Productivity Centre was Management Accounting Course which was held at the Centre in Petaling Jaya from November 23 to December 4, 1964. The Bank was represented by Inche Zulkifli bin Dato' Haji Kamaruddin, an Administrative Assistant. It is envisaged that more courses and seminars will be organised by the National Productivity Centre and the Bank hopes to send more of its staff to attend them.

. Local courses and seminars are cheaper for the Bank to send its officers to as compared to oversea courses. The usefulness of such courses are undeniable and since it is the policy of the Bank

to have a well-trained staff, the Bank is planning to organise more courses for its staff, probably to be run on the same line as that of the General Training Course. So far only Clerical Officers are given the benefit of attending the General Training Courses, but plans are being made to extend this benefit to officers in the Supervisory and Executive Groups, with slight modification to the course to suit them.

(c) Overseas Courses.

Among the overseas courses in which the Bank participates actively are SEANZA - Central Banking Course, Bank of England Central Banking Course and I.M.F. Training Programme. At the same time there are a few other courses, seminars and conferences held from time to time by overseas organizations in which the Bank also participates when invited. Only senior officers are sent to attend these overseas courses and seminars, except in the case of the Banking Course at Midland Bank Limited and Bank of England held from March to September 1961 where the Bank sent two of its clerical officers to learn about Foreign Exchange procedure.

One of the most popular overseas courses which the bank participates annually is the Central Banking Course sponsored jointly by the Central Banks of Southeast Asia, New Zealand and Australia (SEANZA). The idea of a SEANZA Course originated in 1956 at a conference of the Commonwealth Central Bank Governors in London when the Governors of the Central Bank of Australia, Ceylon, India, New Zealand and Pakistan formed themselves into a council for the purpose of sponsoring a training course in central banking principles and practices with particular reference to the developing countries. The council met in Sydney in May 1957 and the first course was held there later in the year. In 1959 the original sponsor banks were joined by the Bank of Japan, in 1963 by the Central Bank of the Philippines and in 1964 by the Central Bank of Malaysia.

The objectives of the course are to assist in training officers for high central bank executive position; to extend the knowledge of Central Banking and of the policies and practices of the Central Banks in the SEANZA area; to promote an understanding of problems especially monetary problems of the developing countries; and to foster friendly relation and technical co-operation between central banks of the area.

To participate, officers should be within the age group of 30 to 40 years and hold position of responsibility in their organisation and are likely to rise to higher position. The

The officers should be able to discuss the affairs of their countries and their organisation and possess technical competence in some aspect of central banking. The overall success of each course depends largely on the capacity and willingness of members to participate fully in the aspects of the programme.

To date there have been five courses held by various Central Banks in the SEANZA area. The duration of each course is normally about three months, the first course was held in 1957 in Australia and the most recent one in 1964 in Pakistan. For this year, the course will be held in Wellington from September 20 to November 26, 1965. The importance of this course is reflected in a speech by Hon. H.R. Loke, New Zealand Minister of Finance when he stated:-

" In this period SEANZA has become a firmly established form of central bank co-operation, where experiences in central banking are shared for the benefit of the countries in the area and their administrators in the field of monetary policy". 40

Malaysia has been able to send a representative at each of the courses held. The list of those who attended are given below:-

<u>Course No.</u>	<u>Period</u>	<u>Place</u>	<u>Name</u>	<u>Appointment in B.N.M.</u>
1	1957	Sydney	Hooi Kam Sool	Adviser No.2/ <sup>Manager</sup> , Singapore Branch.
2	August to November 1958.	Sydney	Raja Khalid	Manager, Establishment Department.
3	Jan. - March 1960	Bombay	Siew Nim Chee	Economist
4	Apr. - June 1962	Tokyo	Choi Siew Hong	Adviser No.1
5.	Jan. - Mar. 1964	Karachi	Mohd. Yassin	Inspector, Bank Supervision
6	Sept.-Nov., 1965	Wellington	Syed Adam Al Jafri	Secretary.

The Bank Negara Malaysia sends its officers to the Central Banking Course conducted by the Bank of England once in every two years since 1957. Major part of the course consists of the study of London as a financial and commercial centre with special reference to the Bank of England. There are also section on general principles, on central banking in certain countries in the Sterling Area and elsewhere, and on related problems in territories without a Central Bank.

The Course is in the form of talks given by speakers from the financial world, the universities and the Bank of England followed by questions and discussions in small groups, each under the guidance of a Bank of England administrative member of the course. Talks are supplemented by visits of commercial, financial and general interests.

The course is intended for men of administrative grade, age normally between 30 and 40 years old, who are already employed in Central Banks or are likely to be concerned with Central Banks problem. The course is normally held in the Spring and lasts for about three months.

Malaya was not represented at the first course held in 1957, however when the second course was held from April 12 to June 6, 1959, Chang Sow Khong, the Chief Accountant, was sent to attend. For the third and fourth courses, the Bank sent Raja Khalid and Asman Hashim respectively. The fifth course, currently held till July 2, 1965, is being attended by Chee Chin Bok, Manager of Banking Department.

Another training programme in which the Bank participate actively is the IMF Training Programme conducted annually at the Fund Headquarters in Washington D.C. The main purpose of the Programme is to provide training in international financial and statistical technique for a selected group of persons in Government or Central Bank employment, with the expectation that they will return to serve their respective countries with increased competence. It is also hoped that through acquiring, at first hand, practical knowledge of the objectives and functions of the Fund, participants in the programmes will be able to promote a closer working relationship between the Fund and its members.

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40. Extract of a message by Hon.H.R. Loke, New Zealand, Minister of Finance, published in the Brochure for the 6th SEANZA Course to be held in Wellington from Sept.20 to November 26, 1965.

The Training Programme consists of a number of general courses as well as a specialised course on balance of payments methodology, and deals with both the techniques of government financial operation and broader policy questions. Normally, the formal courses and work assignment are completed in five months.

Officers attending the Programme must have government or Central Bank employment in a country which is a member of the Fund and normally have a University Degree or its equivalent, preferably with some concentration in economics and finance.

To-date, the Bank has been able to send four Assistant Economists, namely Raja Lope, Mohamed Rais, Mohamed Taib and Lin See Yan to attend the Programmes. However, the Bank's nomination of Kwan Kwong Seong for hte 1964/1965 Programme was rejected by the IMF on the ground that it had enough candidates for the Programme which was specifically for the African countries.

It is interesting to note that Mohamed Rais who attended the Programme held from October 2, 1961 to June 28, 1962, stayed back after the course to do post-graduate studies in Economics at George Washington University. He is being subsidised by the Bank to undertake the study which he hopes to complete by June 1966.

The Bank is aware of the immense value derived from attending these overseas courses, both from the point of view of the individual as well as from the Bank's view point. As such, it is the Bank's plan to send as many of its deserving officers to attend these overseas courses, seminars and conferences as well as to give necessary aid, financial or otherwise to officers who wish to do their post graduate studies in the field of economics. At the moment, shortage of staff rather than anything else, is the stumbling block for the full implementation of the plan.

(d) Scholarship and other financial Aid for Studies.

Not only does the Bank provide job training and sends its officers to attend courses, seminars and conferences but it also provides scholarships and other financial aids for studies as one of the means of getting better trained and high calibre officers. At the same time other incentives, in the form of bonuses and opportunities for promotions, are also provided.

With a view to assisting Malay youth to attain qualifications required for admission to the University of Malaya or overseas universities, Bank Negara Malaysia instituted in 1962 pre-University Scholarships to be awarded from time to time to suitable Malays who have gained admission to the Higher

School Certificate class to follow an Arts course with Economics or Mathematics as one of the subjects. The scholarship is tenable for a period of two years and during that period the scholar will be expected to complete the academic course prescribed leading to the award of a full Higher School Certificate.

The value of the scholarship is \$50/- or \$75/- per month, depending on the financial circumstance of the scholar's parents, and will be paid monthly through the Principal or Headmaster of the school at which the scholar is studying. However, the scholarship is subject to the scholar's satisfactory conduct, behaviour and progress during the tenure of the scholarship. Since its inception in 1962, 19 scholarships have been granted so far. At the moment, plans are being made to increase the number of awards per year.

Besides the pre-University Scholarship, the Bank also provides scholarships to suitable Malay youths who have gained admission to the Bachelor of Arts Course with Economics in the University of Malaya. The scholarship is tenable for the minimum period laid down for the scholar's approved course of studies. The scholar is expected to complete the course leading to the award of a Bachelor of Arts Degree with Honours in Economics. The object of the Scholarship is to prepare Malays for careers in Commerce.

In order to familiarise himself with the work of Bank Negara Malaysia the scholar is required to spend a portion of his long vacation at the Bank. During the period of his attachment to the Bank, the cost of the scholar's board and lodging (\$240/-) is met by the Bank. This does not form part of the scholarship award which is \$2,500/- annually.

The University Scholarship was started in 1961 and by 1984 15 scholarships have been awarded. It is expected that at least 2 more will be awarded to the new students attending the 1985/1986 sessions. Besides the scholarships for members of the staff who have gained admission to the University of Malaya. This scholarship is open to all members of the staff, irrespective of race or religion.

On successful completion of their degree course at the University, the scholars may be required to serve the Bank for a period of five years. However, the Bank does not guarantee jobs to its Bank scholars. The granting of scholarship is mainly to assist them to get university education and fit them into career in commerce solely to seek employment with Bank Negara Malaysia.

Besides providing these scholarships, the Bank also grants financial aids to members of the staff who are interested in furthering their education. For office boys, the Bank undertakes to pay to those attending approved Evening classes the actual fees incurred for such classes up to a maximum of \$10/- per month, per person, subject to satisfactory progress being made. On passing the School Certificate Examination, it is likely that these office boys would be considered for appointments as Clerical Officers. At the moment the Bank's kind gesture is meeting with little success. After a few months at the Evening Classes, the enthusiasm of these boys seem to fade away and they appear to be contented again just to wait for letters and messages to be delivered.

As a practical measures to encourage its staff to study banking and allied subjects in order that they may be able to serve the Bank better and to enhance their own prospects, the Bank pays bonuses on the scale set out hereunder to officers who pass the examination of the Bankers Institutes :-

For Passing Part I	..	\$200/-
For Passing Part II	..	\$300/-

Officers who hold University, accountancy or similar degrees can obtain exemption from the whole of Part I in certain circumstances and in these cases, a bonus of \$500/- will paid on the successful completion of Part II

To date, 26 officers have taken or are taking the courses. Of these 7 have completed the whole course successfully and 10 passed Part I. All those entitled to receive bonuses have received them already. The Bank hopes that more officers will be taking these courses in the near future.

Since Malay is the National Language and will be the sole official language of Malaysia by 1967, the Bank has organised Malay classes for members of the staff since 1959. However, the response from members of the staff has not been up to expectation. With 1967 just around the corner, it is hoped that members of the staff would realise their duties and obligations to the nation and that more would make, an effort to master the language in whatever little time they have before the target date. If they fail to do so, they have themselves to blame and not the Bank.

In conclusion it must be pointed out that training is not tied-up with promotion. No guarantee of promotion is made for successful completion of these training programmes. However, when a Promotion Exercise is carried out, due consideration will be given to officers who have successfully attended the courses. A good number of them have been promoted a clear indication of the value attached by

the Bank to these courses. The Bank plans to make more use of the facilities, provided by other organisations, available for training and development of its staff as well as organising more courses and training programmes for its own staff and making them available to the staff from other organisations may be interested to participate.

## 5. TERMINATION OF SERVICE

Termination of service can be classified and discussed under two headings, that is; retirement, and resignation and dismissal.

### (a) Retirement.

When the Bank was established in 1959, no definite decision regarding the age of retirement for staff was made, although it was generally assumed that the Bank would eventually adopt an age of retirement in line with that applicable to officers in Government service and the service of comparable statutory authorities was 55 years with provision for officers to apply for permission to retire after reaching the age of 50 in the case of men and of 45 in the case of women.

In the Rules of the Bank's Staff Provident Scheme, which was approved by the Minister of Finance in February 1961, various references are made to the age of 50 in the case of men and of 45 in the case of women in connection with the eligibility of members to benefits of the Staff Provident Scheme. Rule 6 (3) states:-

"In the event of the Bank adopting a general retiring age of more than 50 years for women and more than 55 years for men, the Bank shall have the right to review its rates of contribution to the Fund under Rule 6 (1) or, alternatively, if for any reason a female member remains in the service beyond the age of 50 or a male member beyond the age of 5 the Bank shall have the right to cease its contributions in respect of each members under their attaining the age 50 years in the case of women or 55 years in the case of men."

Thus, although when the Staff Provident Scheme was established, no definite determination of the age of retirement was made by the Bank, it was implied that the Bank was following the general compulsory and optional retiring ages applicable in Government Service.

Prior to 1963 there was no urgent need for a decision on the question of age of retirement as none of the members of the staff was due for retirement. However the question became urgent when the Head watchman, Mansoor Ahmad, was to reach the age of 55 on February 13, 1963, this being the retirement age for Government servants. The views of all the Heads of Departments were sought and the Bank finally decided to ask the Headwatchman to retire on reaching the age of 55, and if no immediate replacement was available, to employ him on a month to month basis. The question of age of retirement for the staff was to be reviewed by the Board of Directors at a later date.

Accordingly the matter was discussed by the Board at its 62nd meeting held on February 20, 1964. The Board decided that :-

- (a) a compulsory age of retirement should be determined as 60 for men and 50 for women;
- (b) the Bank may agree to retire a man over the age of 50 or a woman the age of 45.

Incidentally this is in line with present Government practice with regard to age of retirement. As a result of this decision the Head Watchman who had been employed on a month to month basis since his retirement, was placed again on a permanent basis as from February 13, 1963. Other than the case of the Head watchman, none of the members of the staff are due for retirement, be it normal or on medical ground, as all are in the prime of life and in robust health.

(b) Resignation and Dismissal.

On the question of resignation or dismissal, it is the requirement that one month's notice or payment of one month's salary plus cost of Living Allowance in lieu of notice, be given prior to resignation or dismissal. However, in some case of resignation by the staff, the Bank has been generous and has waived aside this condition.

Since 1959 there had been 77 cases of resignation and 5 cases of dismissal. The Management has been rather secretive on the question of why the employees tendered their resignations or why some were dismissed. The only information that could be obtained are those recorded in the individual's letter for resignation. In most cases, the reasons given for resignation are to join other organisations, to set up own business or for personal reasons. Reasons for dismissal were given as insufficient or failed to pass their probationary period satisfactorily. In fact in the staff rules and conditions of employment, it is stated that :-

"If an officer or employee appears to the Governor to

be inefficient or incompetent, or unfit to discharge or incapable of discharging the duties or his position, the Governor may retire him from the Bank or may transfer him to some other position in the Bank with salary appropriate to that other position. The Governor may dismiss or suspend an officer, or reduce his status or rate of pay, for incapacity or misconduct."41

Of the 5 dismissals, 3 were watchmen, one was an office boy and one was a Research Assistant. There has also been some cases of transfer to other position within the Bank 43

~~41. Staff Rules and conditions of employment. Para.4. as a result of incompetent or being unfit to discharge their duties.~~

Some of the resignations were also due to seconded officers returning home after completion of their contract. However some of their places were replaced by their colleagues who carried on their good work until they too have to return home.

A list of the number of resignations of staff by groups is given below :-

Resignation of Staff Of Bank Negara Malaysia 1959-1964

No.	Appointments	Numbers of Year						Total
		1959	1960	1961	1962	1963	1964	
1.	Senior Executive Group	-	-	-	1	2	1	4
2.	Executive Group	2	-	-	1	-	3	6
3.	Supervisory Group	-	-	1	2	-	-	3
4.	Clerical Group	3	2	14	11	7	2	39
5.	Non-Clerical Group	1	2	3	6	2	2	16
6.	Seconded Officers	-	-	4	2	2	1	9
Total		6	4	22	23	13	9	77

From the above list, it seems that officers in the clerical group form the largest number of resignation. But then this group also form the largest number of the staff in the Bank's employment and as much in term of percentage, the number of resignation is fairly uniform throughout the service. The list also indicates that the highest number of resignation was in 1962 when 23 resigned. Since then the trend is falling and this may be due to improvement in terms and conditions of service in the Bank or due to limited employment opportunities available as a result of large number of potential labour force being thrown on the market annually by schools, colleges and universities.

On termination of service with the Bank, the employee is entitled to receive when he reaches the age of 55 all his contributions including interest to the Staff Provident Scheme and part of the Bank's contribution including interest, calculated as the ratio of the number of years completed service to the expected working life of the Member expressed in years, fraction omitted, calculated from the date of joining the Bank to the age of 45 years in the case of women and the age of 50 years in the case of men. As for the Employees Provident Fund, the member will only receive it in accordance with the rules and regulation of the EPF - normally he will receive the benefits after reaching the age of 45 years in the case of women and 50 years in the case of men.

An employee of the Bank receives no gratuity, bonuses or other benefits on termination of service with the Bank. However the position may change in years to come when B.N.M. is fully developed and in a position to be generous to members of the staff who have dedicated a good part of their working life in the service of the Bank and the nation. After all these has been no cases of staff who have been serving the Bank for a long time to warrant the payment of any gratuity or bonuses on termination of service.

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41. Staff rules and Conditions of Employment.  
Para. 4.

PART III - CONCLUSIONAppraisal of the personnel policy and practices  
of Bank Negara Malaysia.

Personnel policy has been described as the keystone in the arch of sound manpower management. It sets out the approved pattern of human relationships for the work teams. It is the stated ideal for living and working with employees. As a result, personnel policy is of primary importance to all those who place a high priority on human values in employment. It states in detail the goal and objective of the team, the enterprise. In other words it is essentially the "philosophy of life" in the firm's personnel management.

Because of its importance to all personnel management, current practice recognises several essentials in its development and communications. On the basis of experience, it is clear that personnel policy should be explicit, effectively communicated, uniform throughout an organisation, appropriate to the time and place, and flexible enough to change with changing times.

With the above as the guiding principle of a good personnel policy, we can appraise the Personnel Policy of Bank Negara Malaysia and see to what extent it conforms to the definition of a "good personnel policy".

First, personnel policy, should be clearly stated, preferably in writing, so that there can be no question as to what it proposes. This implies that it is explicit rather than implicit, that those responsible for the policy have taken enough time to think it through and decide upon it. Thus, it is selected policy, based on consideration and evaluation and not just a Topsy-like policy that "just grew" largely by accident and expediency.

In the case of Bank Negara Malaysia, though its personnel policy is written, it is not written in any proper form or sequence, nor is it clear or explicit. It is written in such a way that it can have various interpretations. As such different officers tend to interpret it differently. There are various examples that can be brought out to substantiate this point, and the following are some of them.

(a) Vehicle Loan

It is stated that the amount of loan asked should not exceed the "cost" of the vehicle. But it is not stated what is meant by "cost". Is it cost of the vehicle "on the road"?

Is it net cost? Is it the listed price of the vehicle? In fact as can be seen, there are various interpretation of the word "cost". For six years the Bank has not considered this question at all. The practice has been to grant the loan if it is within the limit of eligibility of the officer. But this practice is very unsatisfactory for it may lead to abuses. As such a clear definition of the word "cost" is necessary. It should be made clear whether cost is to include insurance and road tax or not, whether it is the listed price or the net price, or whether trade-in price is to be considered or not. The Bank should not rely on the interpretation of cost by the Government or other organisations or rely on personal opinion of its officers. It should be stated clearly and explicitly in writing so that the word "cost" has only one interpretation for the purpose of granting vehicle loan.

(b) Medical Facilities.

It is stated that officers with a basis salary of \$515/- and above per month are entitled to first-class hospital accommodation. But it is not stated whether it is Government or private hospitals. This is important for in private hospitals e.g. Assunta Hospital, there are different categories of first-class accommodation. Some are air-conditioned single rooms with bathrooms attached, some shared rooms with common bathrooms, and so on. Therefore the Bank should make it clear what is meant by First Class Accommodation. It could be first-class accommodation as provided by Government Hospitals or its equivalent. By equivalent is meant the fees charged by private hospitals should be the same as those charged by Government.

Though it is stated that for medical treatment an employee needs only to get the recommendation of the Bank's Medical Adviser, yet in practice this is not the case. After consulting the Medical Adviser and getting his recommendation, the patient will not be given treatment unless he gets the approval of the Bank first. This I feel is unnecessary delay for medical treatment. The Bank should make clear its stand whether it is really necessary for the Medical Adviser to get the Bank's approval before commencing treatment of the patient. Is it not enough for the doctor to keep the Bank informed of all treatments given to Bank's staff? After all the Medical Adviser is working in the interest of the Bank just as much as his own interest and as such he would not recommend medical treatment unless he feels that it is necessary. In the first place is the Bank, or any members of its staff, qualified enough to determine whether a patient requires medical treatment or not? If the Medical Adviser feels that treatment is necessary, can the Bank say otherwise? If the answer is "yes", then why have a Medical Adviser in the first place?

So obviously the answer is "no", for the Bank is not a medical expert. Further more it has a moral and legal obligation to the staff to provide medical care as contained in the Staff Rules and conditions of employment. So in one way or another, approval for medical treatment has to be given. Since such is the case, is it necessary for the Medical Adviser to seek Bank's approval before proceeding with treatment of a patient?

More thought should be given by the Bank on the question of medical facilities for its staff so as to provide better and efficient medical care and to clear any doubts as to the nature of medical entitlement to an officer.

(c) Overtime Allowance.

Another conflict of interpretation of the policy is the question of who is entitled to receive overtime allowance. According to the Staff Rules and Conditions of Employment Overtime Allowance is payable to "Clerical Staff" whose basic salary is below \$559/- per month. The conflict is in the term "Clerical Staff". Who make-up the clerical staff? Is it confined to clerical officers, stenographers and typists? Can we consider Executive Cadets and Research Assistants and those in Supervisory Group as Clerical Staff? In the Schedule of Appointment in Bank Negara Malaysia, Clerical Staff is confined to Clerical Officers and appointments held by female members of the staff other than those in the Executive Group. Executive Cadets, Research Assistants and other appointments in Group C (Supervisory) are considered as Supervisory. Yet when I asked the Assistant Manager, Establishment Department, this question of Clerical staff, he stated that some officers in the Supervisory Group are considered as Clerical Staff. To substantiate his argument, he showed me another staff grouping which is available to Senior Officers only. Thus we see two interpretations of the term "Clerical Staff" already. On closer examination, more of such conflicts can be traced.

Therefore the Bank has to clarify the question as who is entitled to received overtime allowance. If the term "Clerical Staff" is to be used, than it should be made clear what is meant by "Clerical Staff". For clearcut simplicity, it would be better for the Bank to use the basic salary as an indicator as to whether an officer is entitled to receive overtime allowance or not. Thus the Bank could say that overtime allowances are payable to members of the staff whose basic salary is below \$559/- per month. This would dispel any doubts as to the eligibility of an officer to receive overtime allowances.

The above examples are enough to indicate that there are certain ambiguities in the personnel policy of Bank Negara Malaysia. Such ambiguities should be dispelled as soon as possible so that the personnel policy would be clear, explicit and having only one interpretation.

Another defect that can be noted is that the personnel policy of Bank Negara Malaysia seems to "just grew" over the years. On establishment of the Bank, the terms and conditions of services were expressed in very broad terms. Only those that were of immediate concern were stated. Thus such items as age of retirement and pension benefits were not laid down, since it was felt that no one was due for retirement in the near future. The only provision made was that the Bank would follow the practice of Government on such matters. This I strongly feel should not be the case. For an organisation of such importance as the Bank Negara Malaysia, it should have a clear policy on all aspects of personnel relations. Whether the matter is of immediate concern or not, is of little importance. What is important is that the Bank has a ready answer to any question that may arise, be it from within or from without. As such in formulating its terms and conditions of service, the Bank should have taken into consideration everything and not leave certain items for a later date. In other words, the policy should not only cater for the present needs, but also for the future needs and commitments of the Bank. It must be remembered that the personnel policy of the Central Bank should be the guiding principle by which personnel policies of the Government and other organisations are based. As such, unless the personnel policy of the Bank is thoroughly comprehensive, it would be impossible for it to serve this purpose.

Secondly, personnel policy should be communicated to all who are responsible for seeing that they are implemented in the overall programmes. A policy cannot be effective if it is a secret known only by top executives or union officials. Policy statements can be best implemented if they are given wide circulation. To this end, specific means must be provided for informing all levels of management, as well as rank-and-file employees, of the detailed personnel policy of the organisation.

On this question, the Bank has kept all members of the staff informed of its policies and of any changes made, either through the staff rules and conditions of employment or through current staff circulars. However, as has been pointed out earlier most members of the staff are only aware of the personnel policy in very broad terms. They do not know the detailed aspect or legality of it. As such they have very

vague ideas of what is going on or what benefits they are really entitled to. This would lead to misunderstanding and accusation of unfairness and discrimination when unfavourable decision is made against any officer who has applied for certain benefits, such as vehicles loans, housing loans, unrecorded leave and overtime allowances.

It would be to the Bank's interest, therefore, to communicate to all members of the staff, the detailed aspects of the personnel policy. The Bank should make sure that every member of the staff knows the intended interpretations of its policies on wages, loans, allowances and other fringe benefits. This can be done by the Establishment Department which should make an effort to explain to members of the staff in other departments the Bank's personnel policy. But before this can be done, the officers in the Establishment Department must themselves be acquainted with the policy and its interpretation. At the moment there seem to be doubts as to their understanding of the policies. This may be due to the fact that some of them are new to the Bank, but it is essential that they should know their fields of responsibilities and be in a position to give right decision when called upon to do so (and therefore need time to master up the policies). They should not rely on Junior officers or on others in interpreting the policy or in trying to reach a decision. It is only when they have confidence in themselves that they will be able to inspire confidence in others and thus ensure smooth execution of the personnel policy.

Thirdly, there should be uniformity in the policy throughout the organisation. Only slight variability may be necessary from one department to another. Variation encourages misunderstanding among employees and points out that the policy has not been carefully considered.

The only variation in the Bank's personnel policy from one department to another is the question of compassionate leave and half-day leave. The granting of such leaves is left to the discretion of the Heads of Department concerned. According to some members of the staff, certain Heads of Department seems to be more generous than others in granting such leave. So in order to dispel this accusation, the Bank should spell out clearly the ground on which such leaves can be granted. As far as possible only the Manager of the Establishment Department should be empowered to grant such leave. He would of course be required to consult the Heads of Departments concerned before making his decision.

Fourthly, personnel policy should be appropriate, that is well chosen in terms of the total situation faced by the individual management, union and employee. The policy should not simply be copied from another organization. On this point, it can be said that personnel policy of the Bank is quite appropriate to the organization. However some aspects of the policy are geared to Government policy and practices. This may be due to the fact that the Bank is a semi-government organization and therefore has to follow closely the directives of the Government so as not to embarrass it in any way. For, a Central Bank which embarrass the Government is a liability rather than an asset to the Government. However, since the Bank is supposed to have all the top economists of the country, it should be able to determine an ideal personnel policy acceptable to the management and the managed. Thus the Bank should be the model to be followed by the Government and other organizations and not the reverse.

Finally the policy must be sufficiently flexible so that it can change with changing times. Good, sound policy can become outdated and inadequate as the industrial relation setting changes. The policy may change when employees organize, or when technological change occurs. The policy must, therefore, be continually reviewed and frequently revised.

The Bank has kept up to this practice of good policy. Its policy is fairly flexible and is being continually reviewed and frequently revised. An example of such flexibility is in the case of Housing Allowances which has been revised recently. Certain other aspects of the policy are also being carefully considered by the Management and the Staff Association for improvement and revision.

Since we have considered the criteria of a good personnel policy and having evaluated the Bank's policy along this line, it would be appropriate to examine the other aspects of the policy and bring out whatever constructive criticism and suggestion that can be made.

First and foremost, we deal with the question of recruitment. According to the policy, an assessment of staff position and requirement for the year are to be made by the Establishment Department at the beginning of the year, so as to enable the Bank to carry out recruitment exercise in March or April when results of various examinations are known. However there seems to be an undue delay this year. As late as May, the Bank has still not carried out its recruitment exercise, except in the case of its Bank scholars who have recently graduated. It is difficult to understand why there should be

such a delay, particularly when recruitment exercise is a yearly affair. As such I feel that the Establishment Department should do something about this. If the delay is the result of the other departments sending in their requirements for the year late, then the Establishment Department should ask them to submit their assessments earlier, say in November so that they can be processed in December and the final figure arrived at in January. Unless the Bank does this, it would only recruit "Left overs" into its services since by May, most of the first timer job seekers would have obtained a job already.

On the question of appointment, girls are not considered for appointment as Clerical Officers and neither are boys considered for stenographers and typists. There is no valid reason for such a discrimination and as such the Bank should consider this question immediately, particularly with the increasing numbers of boys and girls seeking employment with the Bank. On closer examination, the Bank would realize that there is no justification for such a policy and therefore should be discarded immediately. No doubt good rationalization can be found to defend the policy, but we cannot have rationalization as a basis for personnel policy. It should be based on something concrete, either socially, morally or economically.

Next is the question of Training and Development. I feel that the Bank can do a lot more than what it is doing at the moment, particularly for the office-boys. These boys are still very young and if given proper encouragement and help, could go a long way. At the moment they are being encouraged to try for the School Certificate Examination and tuition fees of up to \$10.00 per month are being paid to them. However no other subsidies such as for text books and other materials are provided. Since their income is just around the \$100/- mark per month, they would find it a great financial burden to meet the cost of text books. As such I feel that the Bank should meet the cost of the approved texts, if not for the full amount, at least part of it.

Though the office boys are encouraged to take the School Certificate Examination, they are not encouraged to take up typing, short-hand or some other professional training. It must be remembered that the School Certificate Examinations is one of the major examinations in the academic field and is not easy to get through. Even those in schools find it difficult to make the grade, let alone a part-time student. As such I feel that the Bank should encourage the office-boys to take up professional training, such as typing and short-hand, and on obtaining such qualifications, promote them to clerical work, typing and the like. There is no valid

reason why the appointment of typists should be confined to girls only. Many of the office boys have passed their Lower Certificate Examinations and Form Four, academic qualification, requirements for typists. If the Bank feels too strongly against employment of male typists, then it should allow these boys to seek employment elsewhere when they have obtained the necessary qualifications.

The General Training Course carried out by the Bank is indeed a good one. In fact such courses should be extended to other category of officers, instead of being confined only to clerical officers. In this way, every member of the staff will know what the Bank is and what the rest of their colleagues are doing, thus bringing about a better understanding and tolerance throughout the organisation.

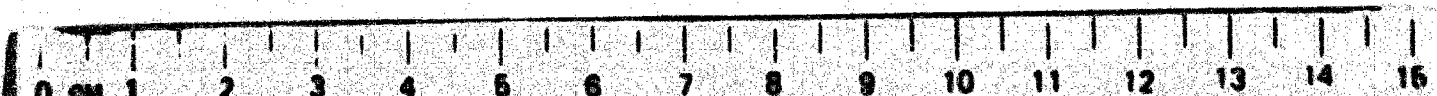
Finally the question of staffing. Due to the rapid expansion of the Bank, there are more work than can be handled efficiently, particularly in the Establishment Department. The Bank needs more experienced staff to look into this problem of rapid expansion. There should be a second man in each Department and in certain Departments, such as the Establishment Department, there should be more than one. If the Bank cannot find suitable candidates among the staff, then efforts should be made to recruit them from outside, even if this leads to some discontent among the staff. I am sure that efficiency of the Bank and its ability to carry out its role in national development is far more important than the temporary discontent of the few.

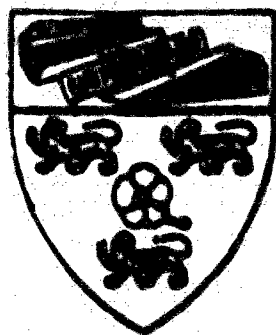
In conclusion I would like to point out that the personnel policy of Bank Negara Malaysia has been formulated through necessity, frequently in emergencies over the formation stages which have normally led to anomalies. I am sure the Bank is aware of the shortcomings of its policy and is in the process of reviewing the whole policy. The task is being entrusted to Mr. D.G. Dodds, a seconded Officer from the Reserve Bank of Australia. At the moment, he is reviewing all aspects of the policy affecting changes where necessary. Most probably, he will be able to complete his task by the end of 1966, thus providing Bank Negara Malaysia with a personnel policy based on well-considered evaluation and weighted judgement.

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