

A SURVEY OF MALAYSIAN PERSONNEL PRACTICES AND PROBLEMS

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SINOPSIS

Satu tinjauan telah dijalankan dalam bulan Oktober dan November, 1981 di kalangan organisasi-organisasi untuk menentukan keadaan perkembangan amalan-amalan personelia di Malaysia. Pengurus-pengurus diminta menyatakan sama ada mereka menggunakan amalan-amalan personelia seperti mengadakan pemerihalan kerja, sekil-sekil gaji, peniliran kerja dan sebagainya. Mereka juga diminta memberi maklumat mengenai kemudahan-kemudahan asas yang disediakan untuk pekerja, kriteria yang digunakan untuk memilih penyelia-penyelia utama dan pengurus-pengurus pertengahan, dan bidang-bidang pengurusan personelia yang organisasi mereka menghadapi masalah. Perbandingan dibuat di antara firma-firma swasta tempatan dengan firma-firma asing dan juga di antara saiz-saiz organisasi. Hasil tinjauan menunjukkan fungsi personelia di Malaysia diuruskan dengan cara yang wajar.

SYNOPSIS

In October and November, 1981 the researchers conducted a survey of Malaysian organizations for the purpose of ascertaining the state of development of personnel practice in Malaysia. Respondents were asked to indicate the extent to which they employ job descriptions, wage scales, periodic evaluations, turnover rates, exit interviews, planned promotion paths and manning tables. They were also asked to indicate the types of fringe services offered employees and the selection criteria for first line supervisors and middle managers. Finally, respondents were asked to indicate areas in which their organizations experienced personnel problems. Comparisons were made between foreign and domestic owned private firms and between organizations of different sizes. The survey results reflect a relatively high degree of professionalization in the conduct of the personnel function within Malaysia.

This is a report of a survey designed to describe some personnel practices and problems of Malaysian organizations. Addresses of 604 organizations selected from the *New Straits Times* Directory of Malaysia, 1979 (Kuala Lumpur: Berita Publishers Sdn. Bhd.) were contacted during October and November of 1981. One hundred and twenty-nine usable replies were received.¹ This constitutes a 21.4% response rate.

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SAMPLE CHARACTERISTICS

Table 1 indicates that 63 organizations, or approximately half of the respondents, are partly or wholly foreign owned.² Of the joint ventures involving foreign private ownership, 16 (59.3%) identified production as their primary activity. Of the wholly owned subsidiaries of foreign private multinationals, 17 (50.0%) identified marketing as their primary activity. Preference for utilizing wholly owned subsidiaries when the primary activity is marketing, and joint ventures when the primary activity is production reflects a typical pattern followed by multinationals around the world. The joint ventures tend to be larger than the wholly owned subsidiaries. Only 55.5% of the joint ventures employ under 300 people, while 76.5% of the subsidiaries employ under 300 people.

Domestically owned and operated firms appeared well dispersed in terms of their economic activities. Thirty-nine (71% of this group of 55) were almost evenly distributed among marketing, production and business services, with the remainder scattered in other areas of economic activity. Sixty percent of the domestic firms employed under 300 people.

Table 1. Ownership Characteristics of Respondents

Ownership	No.	%
Government Agencies	6	4.7
Business Firms Partly or Wholly Government Owned:		
Malaysian	5	
Foreign	<u>2</u>	
	7	5.4
Wholly owned Subsidiaries of Private Foreign Multinationals	34	26.4
Joint Ventures involving Private Foreign Multinationals	27	20.9
Domestic Malaysian Owned and Operated Private Firms	55	42.6
Total	129	100.0

The categorization of all respondents' primary economic activities in Table 2 is approximate since most organizations conduct a variety of activities. Thus, selection of one "primary" activity is often a subjective judgement of the individual completing the questionnaire.

As Table 3 indicates, most responding organizations are modest, small or tiny when measured in terms of numbers of employees. Of

²Nationalities of this group's parent firms were — in order of numerical importance — the United Kingdom (24 responses), the United States of America (14 responses), Japan (6 responses) and Australia (4 responses). The remainder were scattered among Hong Kong, India, the Netherlands, Sweden, France and West Germany. Six respondents did not indicate their parent's nationality.

Table 2. Primary Activities of Responding Organizations

Primary Activities	No.	%
Marketing	36	27.9
Production and Processing	40	31.0
Agriculture	2	1.6
Transportation	9	7.0
Finance	12	9.3
Government or Business Services	24	18.6
Construction and Real Estate	4	3.1
Other	2	1.6
Total	129	100.0

the 18 organizations employing more than 1000 people, 8 have parent companies domiciled in foreign land. Thus, even the foreign multinationals appear to have generally modest sized operations within Malaysia.

Eighty-nine individuals who completed the questionnaire identified themselves as members of "senior management", while 33 identified themselves as "middle management". The remaining 7 individual respondents were company secretaries. Thus, better than two-thirds were senior managers and almost 95% were either middle or senior managers. The distribution of their job titles substantiated these claims to membership in senior and middle management.

FORMALIZED WAGE AND EVALUATION PROCEDURES

The questionnaire inquired regarding the existence of formalization in three areas of personnel management: 1. standardized job descriptions; 2. standardized wage scales; 3. periodic written evaluations of employees' work performance. No attempt was made to determine the *degree* of formalization. For example, respondents were *not* asked how job evaluations or wage scales are established. Furthermore, they were *not* asked to indicate the particular procedures used to obtain periodic evaluations.

One unexpected result of Table 4 is the greater propensity of senior management, rather than workers, to be guided by standardized job descriptions. Although job descriptions of some sort exist in almost 85% of the responding organizations, no more than two-thirds of these organizations utilize job descriptions for any single employee level. Respondents whose organizations lacked job descriptions at both clerical and worker levels indicated that job responsibilities at these levels were determined either by supervisors' discretion, organiza-

Table 3. Respondent's Sizes by Numbers of Employees

Number of Employees	Number of Respondents	%
Under 30	17	13.2
30 - 100	24	18.6
101 - 300	39	30.2
301 - 1000	31	24.0
1001 - 3000	12	9.3
Over 3000	6	4.7
Total	129	100.0

tional tasks and performance targets or by employees' experience and work traditions.

Table 4 indicates that no more than two-thirds of each job level had formalized wage scales. Managerial personnel are less apt to have standardized wage scales than are workers and clerical personnel. Possibly, workers' tasks are more easily definable, and thus, more easily translated into wage scales. Managerial tasks are more difficult to define, and thus, all the more in need of careful definition in the form of job descriptions, and all the more in the need of flexibility of remuneration. Respondents whose organizations lacked standardized wage scales at both clerical and worker levels indicated that wages were set by discretionary management decision or by some standard external to the organization such as the minimum wage or NUCW scales.

Table 4 also reveals that written periodic evaluations are most used at managerial levels, but their use diminishes as we move up the managerial hierarchy from supervisor to senior management.

HIRING AND PROMOTION

The questionnaire attempted to gain some indication of the extent of formalization of personnel procedures for monitoring employee mobility. Respondents were asked whether their organization, 1. calculate "turnover rates indicating the percentage of the work force added and/or dropped in each time period", 2. conduct "formal interviews or questionnaires of employees who resign", 3. maintain "planned paths of promotion formally indicating the next probable jobs to which current jobholders can be promoted", 4. maintain "manning tables indicating current managers and their probable replacements". No attempt was made to determine how organizations specifically structured these four procedures.

Table 5 indicates that less than two-thirds of the responding organizations calculate turnover rates and have some degree of plan-

Table 4. Standardization of Personnel Practices

Employee Level	Organization Utilizing Standardized Practices (By number and percent of 129)		
	Job Descriptions	Wage Scales	Periodic Work Evaluations
Senior Management	75 (58.1%)	51 (39.5%)	64 (49.6%)
Middle Management	83 (64.3%)	61 (47.3%)	79 (61.2%)
First Line Supervisors	85 (65.9%)	77 (59.7%)	82 (63.6%)
Clerical	85 (65.9%)	100 (77.5%)	76 (58.9%)
Skilled Workers	56 (43.4%)	85 (65.9%)	59 (45.7%)
Unskilled Workers	37 (28.7%)	87 (67.4%)	47 (36.4%)
Standardized Practice Does not Exist*	20 (15.5%)	20 (15.5%)	25 (19.4%)

*Only four firms utilize none of the three standardized practices tabulated in this table. These four firms are all domestically owned and operated Malaysian firms.

ning involving promotion paths. Half of the organizations have sufficient curiosity to interview or survey exiting employees, and approximately one-third formally inventory and plan personnel movement through manning tables. Considering the modest to tiny size of most responding organizations, the use of employee mobility planning tools appear quite extensive.

Table 5. Procedures that Monitor Employee Mobility

Mobility Planning Procedures	Organizations Utilizing these Procedures (Number and Percent of 129)
Calculation of Turnover Rates	79 (61.2%)
Exit Interviews and/or Questionnaires	62 (48.1%)
Planned Paths of Promotion	83 (64.3%)
Manning Tables	44 (34.1%)

Respondents were asked to list the most important and the second most important factors determining workers' wage increases. Table 6 reflects the competitive nature of the Malaysian labour market. We might expect skill and efficiency to rank high due to the normal ideological biases that "good" management should seek efficiency. What is impressive is the exceptionally high rating given to skill and efficiency, and the exceptionally low rating given to seniority. Slightly less than three-fourths of the organizations did not even give seniority a place of secondary consideration. Among the "other factors" determining workers' wages, respondents listed such considerations as "character and attitude", "passing professional examinations", "job requirement and the level of responsibility", "the collective agreement" with the union, and government directives.

Respondents were asked to indicate whether internal recruitment accounted for more than half of their organization's supervisory, middle and senior managements. Table 7 reveals that reliance on internal recruitment diminishes as we move up the management hierarchy. In light of the modest to tiny sizes of most responding organizations, heavy reliance on internal sources of first line supervision suggests the possibility that Malaysian organizations might be unnecessarily limiting their ability to recruit quality first line supervisors. Considering the tendency to rely heavily on internal sources for recruiting middle and senior management, this method of recruiting first line supervisors must also have secondary repercussions on recruitment of higher management.

Table 6. Factors Effecting Workers' Wage Increases

Factors	Importance of Factor in Setting Increases (Number and Percent of 129)	
	Primary Importance	Secondary Importance
Employee Skill and Efficiency	83 (64.3%)	26 (20.2%)
Market Wage Necessary to Retain Employees	25 (19.4%)	44 (34.1%)
Seniority	11 (8.5%)	23 (17.8%)
Loyalty to the Organization	5 (3.9%)	26 (20.2%)
Other Factors Effecting Wage Increases	1 (0.8%)	5 (3.9%)

Table 7. The Importance of Internal Managerial Recruitment

Managerial Level	Respondents Indicating that over Half of a Management Level is Internally Recruited (By number and percent of 129)
First Line Supervisors	98 (76.0%)
Middle Managers	64 (49.6%)
Senior Managers	54 (41.9%)

Respondents were asked to rank the importance of several selection criteria for first line supervisors. Table 8 indicates that human relations skills, skill in knowing how to perform subordinates' tasks and the supervisors' administrative skills all rank high in importance. While organizational loyalty may not be particularly important in the case of worker levels (see Table 6), Table 8 indicates that a high level of importance is attached to supervisors' organizational loyalties. One additional interesting aspect of Table 8 is the fact that almost one-third of the respondents believe that personal friendships with higher level managers play an important or very important part in the selection of first line supervisors. Considering the negative valuation placed on nepotism and favoritism in the ideology of management, this is a rather substantial admission. "Other factors" added by respondents as important or very important selection criteria for first line supervisors include such task related considerations as "cost consciousness", "job knowledge", "technical competence". Respondents also mentioned "age", "sport and social activities", "satisfaction with the job", and "managerial and supervisory potential for growth and development".

Table 9 summarizes respondents' understandings of the selection criteria for middle managers as utilized within their organizations. The profile that emerges resembles that for first line supervisors. Formal education is ranked as more important in the case of middle managers while skills in performing subordinates' work tasks diminish in importance for middle managers. Middle managers' skills in dealing with administrative procedures increase in importance when compared to first line supervisors.

Some of the "other" selection criteria mentioned for middle managers were the same as those mentioned for first line supervisors, including "age", "job knowledge" and "cost consciousness". One

Table 8. The Importance of Selection Criteria for First Line Supervisors

Selection Criteria	How Respondents Rated the Criteria's Importance (By number and percent of 129)*		
	Very Important	Important	Of Minor or No Importance
Human Relations Skills	76 (58.9%)	40 (31.0%)	3 (2.3%)
Knowledge and Skill in Performing Immediate Subordinates' Work Tasks	75 (58.1%)	42 (32.6%)	5 (3.9%)
Knowledge and Skill in Dealing with Administrative Procedures	59 (45.7%)	54 (41.9%)	8 (6.2%)
Loyalty to the Organization	53 (41.1%)	64 (49.6%)	5 (3.9%)
Seniority	10 (7.8%)	78 (60.5%)	32 (24.8%)
Supervisor's Level of Formal Education	8 (6.2%)	89 (69.0%)	25 (19.4%)
Personal Friendships with Higher Managers	3 (2.3%)	38 (29.5%)	80 (62.0%)
Supervisor's Racial Origins	2 (1.6%)	14 (10.9%)	107 (82.9%)
Other Criteria	3 (2.3%)	6 (4.7%)	0 (0.0%)

*Nonrespondents among the 129 are not included numerically, but are included for purposes of calculating percentages.

respondent mentioned as important the "report of the superior" of the middle manager, and another mentioned "work experience". The remaining "other" criteria mentioned all related to intangible aspects of character such as a "positive mental attitude" and "management potential and managerial abilities".

PERSONNEL SERVICES AND FRINGE BENEFITS

Table 10 indicates the personnel services and facilities provided employees. A personnel service is not always offered to all employees. For example, some organizations provide free transportation between work and home only for certain groups such as night shift workers. Some free parking lots are available only to managerial personnel.

Table 9. The Importance of Selection Criteria for Middle Managers

Selection Criteria	How Respondents Rated the Criteria's Importance (By number and percent of 129)*		
	Very Important	Important	Of Minor or No Importance
Human Relations Skills	76 (58.9%)	45 (34.9%)	2 (1.6%)
Knowledge and Skill in Performing Immediate Subordinates' Work Tasks	60 (46.5%)	59 (45.7%)	3 (2.3%)
Knowledge and Skill in Dealing with Administrative Procedures	83 (64.3%)	37 (28.7%)	2 (1.6%)
Loyalty to the Organization	55 (42.6%)	60 (46.5%)	6 (4.7%)
Seniority	11 (8.5%)	66 (51.2%)	43 (33.3%)
Manager's Level of Formal Education	23 (17.8%)	91 (70.5%)	8 (6.2%)
Personal Friendships with Higher Managers	9 (7.0%)	40 (31.0%)	71 (55.0%)
Manager's Racial Origins	3 (2.3%)	18 (14.0%)	101 (78.3%)
Other Criteria	4 (3.1%)	6 (4.7%)	0 (0.0%)

*Nonrespondents among the 129 are not included numerically, but are included for purposes of calculating percentages.

PERSONNEL AND MANAGERIAL PROBLEMS

Respondents were asked to indicate the order of difficulty their firms experienced in various personnel related areas. The most serious problem has to do with shortages of skilled employees. As Table 11 indicates, shortages of skilled workers, professional specialists and skilled first line supervisors are more strongly felt than are shortages of middle managers.

The least serious personnel problem originated from relations between people of different races and religions. Only 14 respondents indicated that this is even a source of moderate difficulty.

Respondents were asked to indicate whether their organizations attempt to communicate overall goals and progress to employees. Table 12 indicates that the willingness to communicate organizational

Table 10. Personnel Services Made Available to Employees by Responding Organizations

Service	Respondents providing Service (By number and percent of 129)
Life Insurance	60 (46.5%)
Atheletic Facilities and Equipment	80 (62.0%)
Company Newspapers	81 (62.8%)
Mosque and/or prayer room	53 (41.1%)
Subsidized Education for Degrees or Diploma	45 (34.9%)
Free Parking Lots	84 (65.1%)
Free Transportation Between Home and Work	20 (15.5%)
Other	46 (35.7%)

Table 11. Degree of Difficulties Experienced due to Shortages of Employees

Employee Level	Degrees of Difficulty Experienced due to Employee Shortages (By number and percent of 129)*		
	Major	Moderate	Insignificant
Middle Management	10 (7.8%)	58 (45.0%)	58 (45.0%)
First Line Supervisors	15 (11.6%)	62 (48.1%)	43 (33.3%)
Skilled Professionals and Specialists	24 (18.6%)	60 (46.5%)	36 (27.9%)
Skilled Workers	27 (20.9%)	54 (41.9%)	36 (27.9%)

* Nonrespondents are not reported numerically but are included among the 129 total respondents for purposes of calculating percentages.

goals diminishes as we move down the status hierarchy from management to workers. That this is expected, of course, does *not* infer in

any way that it is good policy, especially when we consider that the modest work forces of most responding organizations would normally permit relatively facile downward communication. As Table 13 suggests, there is some reason for concern about the effectiveness of downward communication since 42.7% of the respondents rated "poor communication between upper and lower levels of the organization" as a difficulty of moderate or major importance.

Table 12. Communication of Organizational Goals

Employee Level	Does the Organization Communicate its Goals and Progress to Employees? (By number and percent of 129)	
	Yes	No
Middle Management	118 (91.5%)	9 (7.0%)
First Line Supervisors	103 (79.8%)	23 (17.8%)
Clerical	68 (52.7%)	58 (45.0%)
Worker Levels	61 (47.3%)	65 (50.4%)

*Nonrespondents among the 129 are not included numerically, but are included for purposes of calculating percentages.

Of the other concerns mentioned in Table 13, only the overloading of upper level managers with decisions and responsibilities appears to be a noteworthy problem. Almost half the respondents consider this to be a difficulty of modest or major proportion. This concern may be related to the sizes of Malaysian organizations rather than the quality of management. Small organizations are often not large enough to warrant the introduction and training of sufficient middle and first level managers and specialists to adequately back up top management. At the same time, most decisions do not diminish in scale of complexity and importance proportionate to the diminution in size as we move from larger to smaller organizations. The validity of this possibility is to some degree reenforced by the fact that almost two-thirds of the respondents are content with the willingness of lower level managers to assume responsibilities.

Table 14 indicates the extent of unionization among employee levels. The fact that clerical employees are more apt to be represented by unions than are other workers might explain why clerical employees

Table 13. Problems of Coordination and Communication

Problems	Degrees of Difficulty Experienced (By number and percent of 129)*		
	Major	Moderate	Insignificant
Poor communication between upper and lower levels of the organization	5 (3.9%)	50 (38.8%)	72 (55.8%)
Unwillingness of lower level managers to assume responsibilities for decisions	6 (4.7%)	37 (28.7%)	84 (65.1%)
Overloading upper level managers with too many decisions and responsibilities	15 (11.6%)	47 (36.4%)	63 (48.8%)
Lack of suitable criteria or systems by which to evaluate subordinates	3 (2.3%)	24 (18.6%)	100 (77.5%)

*Nonrespondents among the 129 are not included numerically but are included for purposes of calculating percentages.

are more apt to have standardized job descriptions, wage scales and periodic work evaluations (see Table 4). Formalized personnel procedures proliferate when the practice of collective bargaining grows. Furthermore, the type of employees who are most apt to form unions are also the types who tend to feel most comfortable with formalized and rationalized personnel procedures that limit personal dependence on superiors while making their rights and duties more predictable.

Respondents whose employees are partly or wholly unionized were asked about unions' effects on employee relations. Forty (31.0%) replied that unionization had little impact on company and employee relations, while 33 (25.6%) felt that unionization had actually improved those relations. Only 5 (3.8%) replied that unionization harmed company and employee relations. Thus, the overwhelming opinion is that the effects of unionization is either neutral or beneficial. Respondents dissatisfied with the effects of unionization expressed the opinions that lack of understanding or personal maturity on the parts of union leaders, or internal union political pressures on the leaders forced them to be unreasonable in their demands.

Only 8 (6.2%) respondents indicated that "government controls over personnel practices and labour relations" had been a "major difficulty" while 25 (19.4%) others felt it had been a difficulty of "moderate importance". In other words, only 25.6% of the

respondents reported encountering personnel and labour relations difficulties as a result of government controls.

Table 14. Unionization of Respondents' Organizations

Employee Level	Partial or Total Unionization Reported At Each Employee Level (By number and percent of 129)
First Line Supervisors	22 (17.1%)
Clerical	70 (54.3%)
Skilled Workers	66 (51.2%)
Unskilled Workers	67 (51.9%)

Respondents were asked to evaluate the importance of three operational problems that might be partly derivative of difficulties in personnel relations. The results are tabulated in Table 15.

One additional result generated out of the survey was that only 24 respondents (18.7%) reported that "favouritism between superiors and their subordinates" constituted problems of either major or moderate difficulty.

Table 15. Personnel Related Operational Problems

Operational Problems	Degrees of Difficulty Experienced (By number and percent of 129)*		
	Major	Moderate	Insignificant
Poor Product or Service Quality Control	5 (3.9%)	19 (14.7%)	98 (76.0%)
Maintenance of Equipment	2 (1.6%)	21 (16.3%)	101 (78.3%)
Worker Absenteeism	10 (7.8%)	25 (19.4%)	92 (71.3%)

*Nonrespondents among the 129 are not included numerically, but are included for purposes of calculating percentages.

COMPARISON OF DOMESTIC AND FOREIGN OWNED FIRMS

Some interesting differences appear when wholly domestic owned and operated private firms are compared to wholly owned subsidiaries or

joint ventures of foreign multinationals. Government agencies and government owned enterprises are ignored in this section since their numerical representation in our sample is so small.

Table 16 reveals that joint ventures and subsidiaries of foreigners are more apt to utilize standardized job descriptions, wage scales and periodic written evaluations of work performance than are domestic firms. This is true at all employment levels. Often the percent by which the joint ventures and subsidiaries group exceed the domestic group is not significant. What is impressive is the fact that the firms with foreign ownership involved are more apt to be users of these standardized personnel practices in *each and every* instance reported on Table 16.

Table 16. The Utilization of Standardized Personnel Practices in Private Domestic Firms and Foreign Owned Joint Ventures and Subsidiaries

Employee Level	Firms Utilizing Job Descriptions		Firms Utilizing Wage Scales		Firms Utilizing Periodic Reviews	
	Joint Ventures and Subs. (By no. & % of 61)	Domestic (By no. & % of 55)	Joint Ventures and Subs. (By no. & % of 61)	Domestic (By no. & % of 55)	Joint Ventures and Subs. (By no. & % of 61)	Domestic (By no. & % of 55)
Senior Management	38 (63.3%)	30 (54.4%)	23 (37.7%)	18 (32.7%)	33 (54.1%)	22 (40.0%)
Middle Management	41 (67.2%)	34 (61.8%)	28 (45.9%)	23 (41.8%)	39 (63.9%)	31 (56.4%)
First Line Supervisor	45 (73.8%)	32 (58.2%)	36 (59.0%)	30 (54.5%)	43 (70.5%)	30 (54.5%)
Clerical	46 (75.4%)	31 (56.4%)	47 (77.0%)	40 (72.7%)	37 (60.7%)	31 (56.4%)
Skilled Workers	27 (44.3%)	23 (41.8%)	45 (73.8%)	30 (54.5%)	31 (50.8%)	20 (36.4%)
Unskilled Workers	17 (27.9%)	12 (21.8%)	44 (72.2%)	31 (56.4%)	26 (42.6%)	15 (27.3%)
Standardized Practice Does not Exist	8 (13.1%)	10 (18.2%)	9 (14.8%)	11 (20.0%)	11 (18.0%)	12 (21.8%)

Domestic firms and joint ventures and subsidiaries of foreigners made approximately the same use of controls for monitoring employee mobility within the firm (i.e., turnover rates, exit interviews and planned promotion paths). If anything, the percent of domestic firms utilizing these controls are very slightly higher than for foreign owned firms.

The only exception involved the use of manning tables. Twenty-four (39.3%) of the joint ventures and subsidiaries of foreigners utilized manning tables to plot the probable movement of important personnel within the organization, while only 13 (23.6%) of the domestic firms utilized manning tables.

Joint ventures and subsidiaries of foreigners have a greater tendency than domestic firms to recruit new managers from internal sources. As Table 17 suggests, this difference intensifies as we move up the managerial hierarchy.³

Table 10 lists services that responding organizations provide their employees. With the exception of life insurance, domestically and foreign owned firms differ but slightly. Only 18 (32.7%) domestic firms provide life insurance to employees while 40 (65.6%) of the joint ventures and subsidiaries of foreigners provide life insurance.

Joint ventures and subsidiaries of foreigners are more prone to be unionized. Forty (65.5%) of these firms had unions at some employee level while only 27 (49.1%) of the domestic firms had unions. At each employment level listed in Table 14, less than half of the domestic

³Six respondents are joint ventures, subsidiaries or branches of Japanese firms. This small group provided some interesting responses. The literature of management has extensively described the Japanese tendency to avoid the types of formalized personnel and managerial procedures one finds in the West. Indeed, this is considered to be a virtue of Japanese organization. Employees are not restricted in their responsibilities by job descriptions, and superiors are supposed to learn about their subordinates through ongoing exposure to them rather than through periodic evaluations. See Michael Y. Yoshino, *Japan's Managerial System* (Cambridge, Mass.: M.I.T. Press, 1971) esp. 225 - 72.

This image is dramatically different from that of the six respondents to this survey. Five of the six utilize standardized job descriptions for first line supervisors, clerical workers and skilled workers. Job descriptions are also found at other levels among fewer than five respondents. Five of the six utilize periodic work evaluations for first line supervisors, skilled workers and unskilled workers. Four utilize periodic work evaluations for other employee levels. All six respondents utilize standardized wage scales for skilled and unskilled workers, and standardized wage scales are used by five of the respondents at other levels. The one respondent whose firm does not rely on job descriptions or periodic evaluations also indicated that his firm makes no effort to communicate company goals downward to any of its employees. Furthermore, this respondent cited as major difficulties both the unwillingness of lower level managers to assume responsibilities, and the overloading of upper management with too many decisions and responsibilities. In short, the least effective firm — judging from respondents' replies — sounds the least like western firms, while the other five Japanese related respondents appear to be heavy users of Western style personnel practices. Could it be that "Japanese style" management is effective in Japan, but does not export well to Malaysia? This is one interesting question worthy of future research.

firms are reported as unionized. By contrast, at each employment level except first line supervision, more than half of the joint venture and subsidiaries of foreigners are unionized. None of the joint ventures or subsidiaries of foreigners reported that unionization harms employee relations. In fact, 21 (34.4%) of this group indicated that unionization improved company relations with employees. Only 8 (14.5%) of the domestic firms felt that unionization improved employee relations while 5 (9.1%) felt that the experience of unionization harmed company relations with employees.

The only other noteworthy difference between the two groups of firms has to do with the factors determining workers' wage increases. The two groups give about equal weight to seniority, efficiency and loyalty. However, joint ventures and subsidiaries of foreigners indicated that they placed substantially more weight on the competitive market wage than did domestic firms. Thirty-eight (62.3%) of the foreign owned group mentioned competitive market wage as a "most" or "second most" important factor determining wage increases for workers, while only 24 (43.7%) of the domestic firms similarly rated this factor.

Table 17. Extent of Internal Managerial Recruitment

Managerial Level	Respondents Indicating the Over Half of a Managerial Level is Internally Recruited	
	Joint Venture & Subsidiaries of Foreigners (By number and percent of 61)	Domestic Malaysian Private Firms (By number and percent of 55)
First Line Supervisors	49 (80.3%)	39 (70.9%)
Middle Management	33 (54.1%)	23 (41.8%)
Senior Management	32 (52.5%)	15 (27.3%)

COMPARISON BY SIZE OF THE ORGANIZATIONS

Table 18 infers that as organizational size increases, there is a greater tendency to utilize standardized personnel practices. Though the smaller firms make less use of standardized personnel practices than the larger firms, the extensive use the smaller firms do make of these practices is quite impressive. Table 18 also yields the unexpected results

that firms employing under 100 people make as extensive or more extensive use of tools to monitor employee mobility as do firms employing between 100 and 1000 people.

Unionization among clerical employees and workers is much more prevalent among larger than among smaller organizations. For example, all respondents employing over 1000 people report that unions exist among their clerical workers, while only 12 (29.3%) of the organizations employing under 100 people have unionized clerical staffs. The figures for skilled and unskilled workers are lower, but still the larger organizations are more apt to be unionized than the smaller organizations.

With the exception of life insurance, no pattern was noticed with respect to the effect of size on the services offered employees. Only 4 (22.2%) of the organizations employing more than 1000 people provided life insurance. Forty-two (60.0%) of the organizations employing between 100 and 1000 people provide life insurance, while 14 (34.1%) of the organizations employing less than 100 people provide this service. The poor showing of the largest organizations and the exceptionally strong showing of the intermediate sized group undoubtedly reflects the fact that joint ventures and subsidiaries of foreigners are most apt to be found among the intermediate group employing between 100 and 1000 people.

In a number of questions respondents had the opportunity to reply by choosing from a range of possibilities (e.g., "very important", "important" and "of minor or no importance"). Though presentation of such data would be too cumbersome when arrayed by organizational sizes, a few observations merit at least brief mention.

Respondents were asked to rate the importance of various selection criteria for first line supervisors (see Table 8). As organization size increases, human relations skills, administrative skills, knowledge of subordinates' work tasks, organizational loyalty all increase in importance. When we turn to selection criteria for middle managers, we find that smaller organizations rate the importance of seniority higher than large organizations. All sized organizations give approximately the same weight to the importance of middle managers' human relations skills. The demand for loyalty on the part of middle managers is greater among larger than among smaller organizations. All sized organizations are equally keen on the importance of the middle manager's administrative skills, but the importance of his skills in performing his subordinates' work tasks increase as organization size increases.

Smaller firms are more prone than larger firms to recruit each level of management, from first line supervision to senior management, from external sources.

One unexpected result appeared when respondents were asked to rank the first and second most important considerations used when determining the wage increases of workers. Although all organizations gave greater weight to rationalistic considerations of efficiency and the market demand for workers, the smaller organizations gave *relatively* less weight to these two factors than did large organizations. On the other hand, smaller organizations valued seniority relatively more than larger organizations as a basis for wage increases.

Government control over personnel practices and labour relations represented the only significant problem indicated by respondents that appeared to change with size. The larger organizations reported greater difficulties than the smaller organizations on this score.

Table 18. Personnel Practices and Tools Utilized by Respondents' Organizations

Standardized Personnel Practice Reported Utilized at One or More Employment Levels	Organizations Utilizing Standardized Practices and Tools		
	Under 100 employees (By number & percent of 41)	100 to 1000 employees (By number & percent of 70)	Over 1000 employees (By number & percent of 18)
Job Descriptions	32 (78.0%)	60 (85.7%)	17 (94.4%)
Wage Scales	28 (68.3%)	62 (88.6%)	18 (100.0%)
Periodic Work Evaluation	31 (75.6%)	54 (77.1%)	17 (94.4%)
Personnel Tools Utilized to Monitor Employee Mobility:			
Turnover Rates	22 (53.7%)	42 (60.0%)	15 (83.3%)
Exit Interviews or Questionnaires	20 (48.8%)	33 (47.1%)	9 (50.0%)
Planned Paths of Promotion	27 (65.8%)	42 (60.0%)	14 (77.8%)
Manning Tables	14 (34.1%)	20 (28.6%)	10 (55.6%)

CONCLUSION

This study of the "states of the art" in personnel management yields little by way of surprises. This, actually, is rather reassuring. No major

inadequacies have been detected among the sample of respondents. In fact, with few exceptions the survey results reflect a relatively high degree of professionalization in the conduct of the personnel function. If there are causes to fault the survey group's personnel practices, those faults would be the tendency to rely heavily on internal sources of managerial recruitment and the failure of most domestically owned and operated firms to provide life insurance and other optional insurances for their employees.

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