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## OCCASION

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REGIONAL JOINT CONSULTATION FOR UPGRADING AND  
IMPROVING MANAGEMENT SKILLS AND PERFORMANCE IN ASIA<sup>1/</sup>

1-13 October 1978, Kuala Lumpur, Malaysia

by

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Factory Establishment and Management  
Section  
Industrial Operations Division

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I. Background and Development of Programme:

Stimulated by UNIDO's participation in the Regional Congress on Management in Asia, held in Singapore in November 1977, and following earlier discussions which were initiated with the CIOS World Secretariat early 1976 (a joint meeting on factory establishment was held in November 1976), a consultation was planned to give Asian Management Organizations and UNIDO a deeper understanding of their possibilities for future complementation in the area of industrial management development in Asia.

Rather than joining a number of experts for an exchange of opinions, observations and theories, it was considered in this case that an optimum approach to the subject would give the parties concerned a maximum of exposure to industrial practice and to management development methods as they are used in the area.

The four institutes represented were:

- The Asian Association of Management Organizations (Mr. Blair Denniston, also General Manager of the Australian Institute of Management)
- The Hong Kong Management Association (Mr. S.K. Lam, Director)
- The Malaysian Institute of Management (Mr. Tarcisius Chin, General Manager) and
- The Factory Establishment and Management Section of UNIDO (Mr. K. Moll)

Including these four persons, the meeting was attended by 15 persons

of which 8 from Malaysia, 5 from Hong Kong, 1 from Australia and 1 from UNIDO Vienna as detailed in Appendix I.

Although the UNIDO staff member was particularly interested in observing the development of the programme with a view towards drawing from such observations and exchanges of thought the conclusions listed below, he took responsibility for the following subjects of the built-in course:

- Management and Development - General Concepts
- Management Information Systems in the light of electronic data processing - with emphasis on medium size industry
- Ethnological and cultural factors as they affect management and management development, and
- Technological Trends and their influence on industrial management.

All of the contributions<sup>\*</sup> were well received by the participants who stated at the end of the meeting their appreciation for the harmonization of all sessions to form a fully integrated programme, taking into account the varied origins of the coordinators.

The management development programme given in Appendix II consisted of three major parts:

- 1) An introductory section of four days where managerial self-understanding, a comprehension of organizations and an awareness of the changing environment were the principal subjects of concern with a view towards creating among the participants a common language for the following practice-oriented activities. During this period, all of the eleven course participants gave detailed accounts of their own organizations according to the guidelines which had been developed earlier. Each of their accounts was subsequently discussed in an atmosphere of open exchange.

\* These, as well as all the others listed in Appendix II.

- 2) The second part of the programme consisted of well-prepared visits to a total of five companies, three of which had agreed to serve as objects of analysis, and to give information on all non-confidential business aspects to the participants of the course. These were:
- a) The LAM SOON OIL AND SOAP MANUFACTURING SDN.BHD., a company producing soap, detergents, cosmetics and oil products.
  - b) JOHN LYSAGHT, a company producing sheet metal for roofing and decorative purposes, and
  - c) THE KELANG PORT AUTHORITY, which has the sole responsibility for all shipping, maintenance, warehousing and construction activities in this important port.

Reports on each of these companies were prepared by the groups and discussed with the other participants. The companies themselves had indicated an interest in receiving a copy of the diagnosis and recommendations and were promised to be given the information after the course.

A computer manufacturer, ICL, and one of its client companies were then visited to obtain a first-hand look at the state of the art of mini-computers, management information systems and on their application in practice.

3) The third part of the programme served to review the elements of general management in the light of the practical experiences (11 organizations of the participants, 5 companies visited or studied in depth, plus 3 cases given during phase 1 and 3, one of which had been written up ten years before on the Oil and Soap Manufacturer visited, which gave an interesting possibility for seeing the company's strength and problems persist and in part change - over the years).

It also expanded the scope of the course into more specific management aspects - in particular the ethnical and cultural elements involved, technological change, the economic environment, management styles, etc.

Method of Information Gathering:

The following types of information are integrated into the conclusions listed below under IV.

The meeting was used for substantial discussions between the course coordinators regarding regional particularities of industrial management and management development methods. Similar discussions were held with the other participants in addition to the formal questions, which were answered orally or in writing during the course hours themselves.

The discussion of the organizational structures, leadership styles etc. of 11 organizations present, the 5 company visits and the 3 case studies provided first-hand insight into management practice in Malaysia and Hong Kong.

Of particular interest was the dimension added to this through the work of the participants, their critical views and the additional dimension of looking again at the depth of analysis of each group - by the other groups.

III. Assessment of the Course Programme itself:

The programme, which was directed to senior level managers and management trainers compared with similar programmes in Europe and the US. It treated all subject of concern in great depth, using up-to-date - mainly English - literature.

If there was a difference, this may have consisted in the substantial emphasis given to concepts of management, management styles during the evolutionary phases of organizations, etc. As is usually observed in such courses, there was an expression of interest in additional detail on a number of subjects. Participants, however, also complained at the end about the heavy workload and would have wanted a reduction of working hours.

The participants considered that the course itself had systematized their thinking about the managerial function, heightened their under-

standing of the managerial role and their awareness of issues, which had been only marginally conscious before.

Although three of the four coordinators came from outside Malaysia, there was no observation with regard to a possible incompatibility of the content of the course with local environment. On the contrary, it was repeatedly stated that the course had sharpened the eyes of the participants for their conditions as managers and that the exchange with participants from other countries had heightened their awareness of local problems.

Although the course was directed to the essence of management, to its shape and form, it might be of further benefit to some of the participants, if it also offered a limited number of very specific methodic suggestions - to solve given problems of a statistical, decision-making or similar nature. As such, specific skill training would, however, detract from the substance of a coherent managerial concept. A balance between these two elements, which would give satisfaction to all, may not be easy to find.

#### IV. Conclusions:

##### 1) General Observations:

Although there are substantial differences between the cultural/social environments of South East Asia on one side and the so-called Western societies on the other, the following conclusions from the meeting\* appear justified.

The general concepts of industrial management with regard to the functions of the enterprise, the chronological order of managerial processes, the various production factors and the views and skills to be acquired by the manager, are rather universal in nature. This observation applies even more to such specific skills as production management, financial management and to a somewhat - although not much - lesser extent marketing. Personnel management, at first sight, would appear to vary

\* and from a number of previous discussions of the subject - in particular at the Management Congress in Singapore of November 1977 and from observations of ILO regarding management in this region.

more by region but any such differences seem to be related to philosophy, attitude and style and not so much to the tools and yardsticks of measurement used by this professional group.

When looking at the leadership style of managers and the organizational structure of industrial companies, the first impression is one of great variance, a point which was also made by some speakers at the Singapore Conference referred to above. Family-type organizations, Trade and Shipping conglomerates with a high degree of informality and flexibility and thoroughly structured companies "American style" coexist and are equally successful in Hong Kong for instance.

There was a great variety of views on the ideal personality and leadership for managers with opinions varying from flexibility to firmness, adaptability and sensitivity to self-awareness and dynamism with regard to personality and from participative to autocratic leadership styles. The course coordinators were prepared for such variety of answers and saw their role in creating a better understanding of the various options, thus permitting reorientation when required.

2) Opinions of the Participants on Specific Subjects of Comparison:

The views of all participants regarding the differences between "East" and "West" were then obtained on the following topics:

- a) Management and Entrepreneurship
- b) Business
- c) Society/Culture
- d) Family
- e) Individual

a) Differences in Management:

Of the five topics of comparison, management was seen to differ least. On a seven point scale (seven for the highest degree of difference) the average of markings was 2.9. The differences observed related more to



the situation of the manager than to his personality. It was found that he was more often involved in family business, that he was on the average less trained in managerial and technological skills, that he had to deal with different opportunities (cheap labour) and problems (maintenance) but also that he was more entrepreneurial.

One of the participants stated that East or West, a manager is a manager.

When asked about the ideal personality characteristics of a manager, integrity averaged highest in rank, although some of the participants found this to be one of the least important elements in a manager. Second to integrity discipline, firmness, understanding and creativity were considered equally important. Less importance was given to tenacity, self-respect and least to smartness.

The skills of managers should - according to the participants - be mainly the following:

- communicating skills (most important)
- analytical skills, and
- specific job skills (each of medium importance) and
- implementation and
- monitoring and controlling skills (of some importance)

More interesting than the average rankings were, however, the variances of opinion between the participants, in particular with regard to all of the personality characteristics with the exception of the general low rankings of smartness and self-respect and the medium ranking of understanding, where opinions were more homogenous.

Similarly, the skills required were differently assessed\*, in particular with regard to the importance of specific job skills but also with regard to communicating, analytical and decision-making skills.

b) Differences in Business:

Business in South-East Asia was seen less equipped to handle

\* by different individual participants

mechanization, less socially responsible and more profit-oriented than business in the West. It was seen to be generally smaller than Western business, organizationally less defined, more dependent on kinship and one participant saw business catering to different cultural and social needs.

A general opinion regarding business structure refers to the paternalistic style of management, which is said to make business more cautious and reserved, placing little emphasis on middle management and the succession in authority, with a limited belief in advertising, etc. There appears to be a contradiction between these observations and the preceding remarks regarding the flexibility of management, which is to some extent explained by the apparent discrepancy between internal rigidity and external flexibility in Asian enterprises.

c) - e) Differences in Society, Culture, Family and Individual Characteristics:

Cultural differences were seen as most significant (5.9 average) with a high degree of uniformity of opinion. Differences between family structures were seen as slightly less important (5.0 average) and the differences between individual persons from East and West were considered significant but not more than the differences in business (both 4.2 on the average on a 7 point scale). With regard to the possible differences between individuals, opinions ranged from no difference to extreme difference.

Business is seen as affected by a greater social reliance on philosophy, which results in lower social support to entrepreneurs. In Asia there is more emphasis on conformity to the group and less on the creative role of the individual as seen by some of the course participants in line with similar statements made at the Singapore Congress.

The differences in family style with the greater security offered by the enlarged - clan type - family, affects both the social pattern of relations, where kinship plays an important role in placing individuals in industry and the business style which, in this respect is seen closer

to the Japanese "family style" company than to the Western, highly structured ("atomized") company.

Where reference is made to differences between individuals, those are seen as a consequence of the socio-cultural and family differences. The Asian is seen as more tradition-oriented, more linked to his home and nation than the Westerner, although these differences are diminishing.

Finally, at least in Malaysia, there is still an apparent conflict regarding the social status of business in society as evidenced by the fact that the original Malaysian society has until recently not given much importance to industrial and commercial activities, leaving the economic function to immigrant groups, while restricting itself mainly to political and social activities. The Government now follows a conscious integrationist policy, which implies the necessity of changing the status of business in society.

3) Training Requirements as seen by the Participants:

The participants were subsequently asked about their opinion on management training with regard to the basic purpose of such training in their countries, the object of training, the persons to participate in training courses and the training methods to be used. The preparation of an agricultural society for an industrialized world was seen as one of the main purposes of management training. It was considered necessary to introduce system-oriented thinking into the existing society.

The list of topics to be taught ranged from conceptual and philosophical aspects of management to the teaching of technological and managerial skills, including the classical functions of production management, financial administration, marketing and general management. Diagnostic tools such as operations research, statistical analysis, management information systems were also mentioned.

Better human and social understanding as well as self-understanding were also seen as objectives for such training. There was a consensus, that the

courses should be directed to the highest possible level of management as this would best penetrate the organizations from the top. There was a preference for public or private organizations or for specific sectors.

Regarding the approach to be taken, great emphasis was placed on participative learning methods, and practical case work as carried out in the course. However, there was also a place for some lecturing and classroom teaching. Training should be both analytical and conceptual. According to one of the participants - the form did not matter as much as the efficiency - he considered both Western and Eastern methods suitable, without however stating differences between the training methods.

4) The Role of UNIDO as seen by the Participants:

The role expected from UNIDO in industrial management development comprises a number of activities already within the focus of UNIDO's attention.

It was suggested, that UNIDO should play a more active role than in the past in this region by organizing exchanges, seminars and conferences to accelerate industrial management development and, in particular, to give guidance on optimum industrial development patterns, avoiding the pitfalls experienced by the industrialized countries. Such programmes should be tailored to the stage of development and the opportunities of the countries concerned.

They should be supported by an active information service on questions of technical and managerial interest. On the whole, the experience of the meeting was seen as a start only and complementation by all other instruments of UNIDO, in particular also with regard to its potential role of providing guidance in industrialization strategy was considered desirable.

The joint AAMO-CIOS-UNIDO programme was seen as a model for similar activities in that and other regions of ASIA.

In view of the success of the course itself, the coordinators of AAMO decided to offer another course of the same type on a self-financed basis to participants from the region and felt confident that a sufficient number of managers would be attracted.

UNIDO should maintain an active interest in these activities both with a view towards contributing to the management requirements of Asia and to tapping Asian resources in management development for the benefit of other areas of the world.

One item of particular interest in this connection is the course leaders course which has been developed by AAMO-CIOS for the preparation of management trainers in the Asian region.

Industrial Management Development could be seen as a prime target for TCDC activities.

APPENDIX I

Participants of the Meeting:

Malaysia

Dr. Tarcisius Chin  
General Manager  
Malaysian Institute of Management

Mr. Abdullah Norhadi  
Director, Project and Implementation  
Lembaga Kemajuan Trengganu Tengah

Mr. C.N. Aziz  
Regional Manager Sabah  
Bank Bumiputra (M) Berhad

Mr. Misron Bin Yusof  
Senior Management Analyst  
Lembaga Letrik Negara

Mr. Mohamed Nor Jadi  
Senior Assistant Traffic Manager  
Klang Port Authority

Dr. Ramlee Karim  
General Manager  
Asean Chemical Fertilizers Sdn.Bhd.

Mr. Wee Ah Fah  
Traffic Officer  
Klang Port Authority

Ms. Joyce Yan Moon Kwze  
Director  
The Ipoh Enterprise Sdn.Bhd.

Hong Kong

Mr. S.K. Lam  
Director  
Hong Kong Management Association

Mr. Cheng Pui Kee  
Managing Editor  
World Trade Publications

Hong Kong cont'd Mr. Ko Ping Wah  
Production Planning and Control  
Manager  
Tyco (Hong Kong) Limited

Dr. Lau Wai Shing  
Senior Lecturer  
Hong Kong Polytechnic

Mr. Lee Che Chiu  
Manager Development Manager  
Hong Kong Management Association

Australia Mr. Blair Denniston  
General Manager  
Australian Institute of Management  
(South Australia)

UNIDO Mr. Klaus Foll  
Factory Establishment and Management  
Section, Industrial Operations Division

APPENDIX II

KUALA LUMPUR (K.L.)  
FRASER'S HILL (F.H.)  
PETALING JAYA (P.J.)

WEEK ONE

October 2 - 7, 1978

Schedule of Meeting

TIME	DATE	Monday October 2	Tuesday October 3	Wednesday October 4	Thursday October 5	Friday October 6	Saturday October 7	
0:30		MM (K.L.) Course Introduction	Creativity and Decision Making (1) Living with Change	Organisation (1) Structures Responsibilities Communication	Review of Manager and his Organisation	Practices Company Investigation	Company Investigation	
1:15		R E F R E S H M E N T S						
1:45		Depart for Fraser's Hill	(2) Creativity and Innovation	(2) Relevance and Effectiveness	Review of Manager and his Organisation	Practices Company Investigation	Company Investigation	
1:30		L U N C H						
1:30		Management and Development	(3) Decision Making Processes	Personal Performance	Briefing on Practice	Practices Company Investigation	Management Information System MISC (1) Use, Development, Process	
1:15		R E F R E S H M E N T S						
1:45		Manager's Role	(4) Relevance and Effectiveness	Self-Assessment	Depart for P.J.	Practices Company Investigation	(2) MIS Resource	
1:30		E V E N I N G E X E R C I S E S						



WEEK TWO

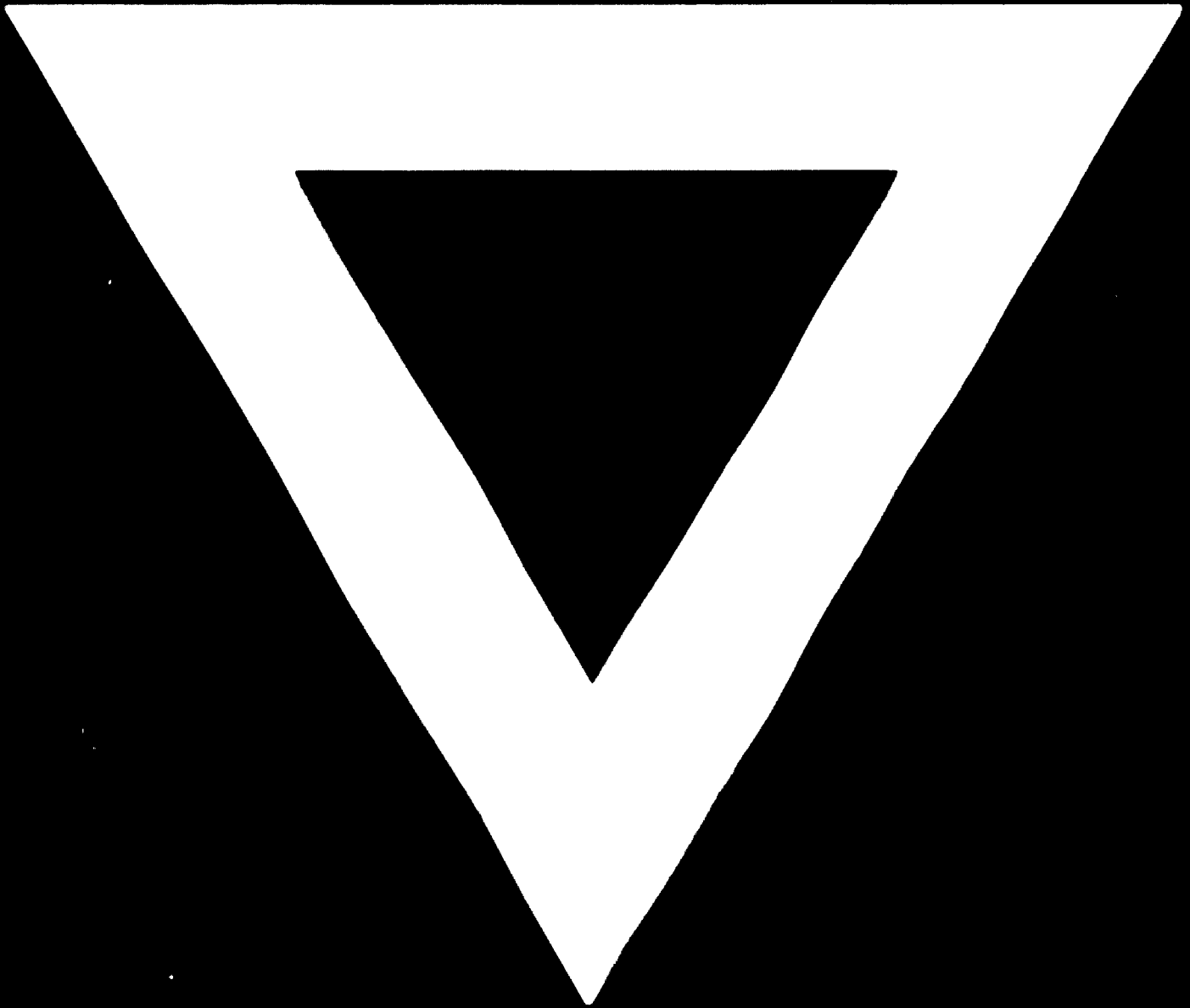
October 9 - 14, 1978

PETALING JAYA (P.J.)  
 PORT DICKSON (P.D.)  
 KUALA LUMPUR (K.L.)

DATE TIME	Monday October 9	Tuesday October 10	Wednesday October 11	Thursday October 12	Friday October 13	Saturday October 14
0830	<u>Management Information system</u> (3) Observations	Review of Practice	Influence of Environment (1) Common Problems	Ethnology/ Culture	Technology/ Economic Achievements	Course Review (MIM - K.L.) Implementation Plan
1015	R E F R E S H M E N T S					
1045	<u>Management Information system</u> (3) Observations	Review of Practice	(2) Principles and Concepts	Organisation	Economic Framework	Course Evaluation
1230	L U N C H					
1330	<u>Management Information system</u> (3) Observations	Review of Practice	(3) Relationship of Change	Group Behaviour	Technological Trends	Departure for Home
1515	R E F R E S H M E N T S					
1545	Proceed to P.D.	Review of Practice	Implementation Preparation	Management Styles	Management Functions (Return to K.L.)	
1730	E V E N I N G E X E R C I S E S					

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