ALTERNATIVE DISPUTE RESOLUTION (ADR):
MALAYSIA PUBLIC SECTOR
CONFLICT MANAGEMENT PERSPECTIVE

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ABSTRACT

Malaysia kini dipandu oleh Wawasan 2020 yang mensasarkan negara untuk menjadi sebuah negara yang maju pada tahun 2020. Perubahan dalam sistem pentadbiran telah dikenal pasti antara pendorong utama dalam memudahkan proses transformasi tersebut. Dalam hal ini, Perkhidmatan Awam Malaysia telah diberi kepercayaan sebagai agen utama perubahan kepada pentadbiran negara. Pelbagai usaha dan inisiatif dalam pengurusan sumber manusia telah dilaksanakan untuk meningkatkan kualiti perkhidmatan awam, namun elemen sumber manusia yang berkaitan pengurusan konflik dalam organisasi kurang mendapat perhatian daripada pihak pengurusan. Walhal perhubungan kerja yang baik dalam persekitaran organisasi berpotensi untuk menyumbang kepada arah pencapaian organisasi, yang mana akan melonjak kepada pencapaian negara. Pada masa yang sama, penyelesaian konflik menggunakan kaedah Alternative Penyelesaian Pertikaian iaitu Alternative Dispute Resolution atau biasa dikenali dengan kaedah ADR dalam hubungan pekerja majikan, kes-kes buruh dan konflik perniagaan semakin diiktiraf di peringkat antarabangsa. Sehubungan dengan itu, artikel ini cuba menganalisis dan mengupas lebih lanjut keupayaan pelaksanaan ADR dalam perkhidmatan awam dengan menggunakan kaedah SWOT dan strategi Samudera Biru (Blue Ocean Strategy) dan mengajak pihak pengurusan untuk menimbangkan pelaksanaan ADR sebagai salah satu elemen penting pengurusan sumber manusia dalam Perkhidmatan Awam Malaysia.

INTRODUCTION

Malaysia is guided by Vision 2020, which envisions Malaysia as a developed nation by the year 2020. The Malaysian government has recognised the importance of developing human capital in line with this vision. Given these national aspirations, Abdul Karim (1995) proposes that administrative reform is a major impetus to facilitate the transformation, and the Malaysian public service is entrusted by both the political leaders and Malaysian general public as the key agent for this change. Karim’s report identifies the challenges that may be faced by the public sector. One of these is the need to enhance the quality of human resources (HR) to facilitate the transformation. Pieper (1990) mentioned the importance of HR in influencing the economy success of an organisation, and it can strategically contribute to the success of a nation. Whilst the Malaysian government has made great efforts to respond to the challenges, the management of conflict in the workplaces does not yet seem to have captured the attention of top management. “Workplace
incivility and conflict management styles may have a [significant] impact on how workers perform their jobs (job performance), their commitment to their organisation, and their intent to leave their jobs" (Trudel, 2009, pp.1-2). Brown & Peterson (1993, as cited in Kim, 2008) note that a positive interpersonal relationship in the workplace is able to increase subordinates’ satisfaction. Subordinates with high levels of satisfaction are more likely to be committed to the organisation. Thus, these issues, which are relevant to organisational effectiveness, should be equally of interest in the development of human resources.

This calls for an exploration of good practice to build good working relationships and resilient work places. In other words, although various improved HR practices have been implemented in the country, it is timely for the public sector to explore a new field in the development of human resources in order to better manage conflict in the workplace. It is fortunate that a model of Alternative Dispute Resolution (ADR) based on Fiadjoe (2004) has become the preferred choice for the resolution of conflict and industrial disagreement. The practice now is increasingly also being recognised as applying to labour management disputes. Therefore, this essay analyses ADR within the lenses of Malaysia's public sector using the SWOT method. It proposes that ADR be perceived as an important tool to manage human resources in the public sector. This is in accordance with strategies from the analysis using the theoretical framework of the Blue Ocean Strategy (BOS). Ultimately the essay may be used to invite top management to reinforce the implementation of ADR in the management of human resource issues in the Malaysian public sector.

ADR AND WORKPLACE CONFLICT MANAGEMENT

It is important to explain the validity of suggesting ADR as an approach in Malaysian public sector conflict management. Lynch (2001) describes the evolution - or what some terms a “revolution” - that has occurred in the practice of dispute resolution. For instance in the United States from the 1970s, as Lipsky and Avgar (2008-2009) note, employers began to turn to ADR to resolve workplace disputes, particularly using the processes of mediation and arbitration. However, as Lipsky & Avgar report, a growing number of organisations, largely from the non-union sector have in recent years “implemented so-called ‘integrated conflict management systems’ for handling workplace conflict” (Lipsky & Avgar, 2008-2009, p.143). In Australia, a wider range of ADR processes have been adopted and are now commonly used throughout Australian society. Sourdin (2005) observes that there has recently been considerable growth and interest in facilitative dispute resolution processes. The latest recent report on ADR for Victorian public sector leaders on developing conflict resilient workplaces indicates that the Victorian public sector has developed its own model for integrated conflict management. ADR processes are employed to be part of a broader system of promoting constructive relationships. This essay does not intend to
investigate integrated conflict management systems. These developments are simply noted to highlight recent applications of ADR in the management of conflict in workplace, where ADR becomes an essential part of an integrated system.

These applications are different from the conventional use of court-annexed ADR. As Fisher (2001) observes, much of the literature on third-party literature agrees that "not all conflicts at all points in time will be amenable to a single and unified method of intervention" (p2). A range of different situations may need different interventions in order to move the parties toward settlement and resolution. As an illustration, ADR which had been used in the Victorian public sector has extended to cover feedback, coaching, conversation, and facilitation rather than the sole option of mediation. All these processes have in common the role of a neutral third party. Sourdin (2005) quotes the recent description of ADR by the National Alternative Dispute Resolution Advisory Council (NADRAC) as an "umbrella term for processes, other than judicial determination, in which an impartial person assists those in a dispute to resolve the issues between them." Thus the broader application of ADR in workplaces preserves the defining feature of the third party, but expands the number of processes available, and the range of situations in which these processes might be applied in practice.

ADR: AN ANALYSIS IN THE MALAYSIAN PUBLIC SERVICE.

It is crucial to examine briefly the history of Malaysia's public sector to determine the appropriateness of ADR within the sector. The Malaysian public service inherited a good basic physical infrastructure and procedural system from the British public service. During the pre-independence period, the British introduced structures, practices and ethos which subsequently set the foundation and the tone of the current Malaysian Public Service. Article 132 of the Malaysian Federal Constitution stipulates that the Public Service consists of the General Public Service of the Federation, the State Public Services, the Joint Public Services, the Education Service, the Judiciary and the Legal Service of the Armed Forces. To date, the service has staff strength of 1.4 million employees covering 279 schemes of service. The pillar of the Malaysian public service was long established by officers from what is currently known as the Administration and Diplomatic Service (ADS). Formerly the civil service attracted the best and brightest scholars from England to be appointed as administrative officers. However later when the British began to centralise its administrative power, they expanded the recruitment to appoint better qualified local people into the service. Despite a small number of local officers in the service at that time, they had done an excellent job while the British were forced to leave the country during the Japanese occupation. When the British subsequently returned, they eventually acknowledged the major roles played by the local administrative officers. This was a turning point in the evolution of ADS, which is the core body in planning and implementing public policies. This group, generally described as "elite", provides almost all the senior administrative officials at the international, federal, state and district levels.
As mentioned earlier, this vision becomes the main aspirations of all Malaysians. The vision is actually quite specific about the roles of the civil service, which will continue to be critical, especially in providing a stronger foundation for the attainment of the country's socio-economic objectives. Thus, Malaysia is quite institutionally advanced and extremely concerned to manage its human resources in order to secure their performance particularly in terms of training and development; performance appraisal; promotion and succession planning; salary, compensation and benefits. Despite these numerous initiatives taken to promote and improve the performance of the public sector, the area of conflict management seems to have been left unexplored. As Forster and Whipp (1995, as cited in Lipiec, 2001) have long proposed, changing market paradigms affect human resource management, including the management of work or family conflict. Roper (2005) stresses that management of conflict is one of the chief roles played by managers in organisations. Oudeh (1999 as cited in Suppiah & Che Rose, 2006) emphasises that managing workplace conflict is a crucial investment for long term viability and success for business. In essence, effectively managing conflict adds substantial value to an organisation, and even can act as a catalyst for change (Suppiah & Che Rose, 2006). Nonetheless, the applicability of ADR in the Malaysian context may need more analysis. Kozan (1997, as cited in Folger, Poole & Stutman, 2005) suggests that people with different cultural backgrounds react differently to conflict. He suggests that they will have different attitudes towards conflict, different expectations about appropriate conflict behaviour, and different approaches to managing conflict. The following analysis applies the SWOT framework to examine the strengths and weaknesses of ADR, and the opportunities and threats in the sector towards acceptance of ADR.

STRENGTH

The outcomes of ADR may serve as a potent reason for the sector to consider the practice. Jabroun and Balakrishnan (2000) informed that the primary responsibility of the civil service is to create an environment conducive to rapid economic growth. This expectation will not be realised if the sector frequently has to confront common organisational issues such as low employee motivations, lower productivity, increased legal costs, relational strain in the workplace, stressed-related medical claims and many more. In contrast, conflicts which are managed well can create a workplace conducive to trusting and respectful relationships, among its employees (Suppiah and Che Rose 2006). With the recent expansion of ADR in workplaces to promote constructive relationships, 'reduce tension, [improve] skills or communication channels' (Sourdin, 2005), ADR may offer an appealing answer to the question of how to create an harmonious workplace environment. The transformation of conflict into co-operation via ADR processes may strengthen team spirit, which leads, in turn, to higher productivity and quality of work.
WEAKNESS

A foundational trait of ADR is the role of a third party, who is neutral and impartial. Though there has been extensive debate in the ADR literature about the concepts of impartiality, bias, or neutrality, these certainly inform the role of intervener. Fisher (2001) suggests that more recent and more innovative third party interventions operate through “power with”. However, this concept may be perceived as a drawback in the sector. According to Hofstede (1991), the high “power distance” in Malaysia is reflected in an unwillingness to make decisions without reference to the most senior executive. Ansari, Ahmad and Aafaqi (2004, as cited in Jayasingam & Cheng, 2009) point out that the leadership concept in Malaysia has long been associated with preference for hierarchy. This means in the normal procedure, the chain of management or any head of department is entrusted to make a decision on any issue or dispute. This suggests that traditional and coercive “power over” is the more acceptable mode of operating in the country. Furthermore, in a different scenario the empowerment to an independent third party to manage the conflict may not be welcomed by the management. An assumption intrinsic to the Malaysian public service is that the role of negotiator and facilitator are provided by the civil service itself, particularly by those who come from the “elite” group. Thus, the defining characteristic of ADR may be perceived unfavorably within the sector as culturally and institutionally inappropriate.

OPPORTUNITY

Consistent with its vision to become a developed nation, Malaysia has focused significantly on the development of human resources. In fact, the focus towards human resource management has been intensified and has become one of the regular features in government policy documents. For example, the Ninth Development plan for five years (1996-2010) and the most current Tenth Development Plan (2011-2015) have allocated more resources to the development of human capital as part of a profound effort to produce a world class civil service. There has therefore been an increase in the number of public training institutions in almost every five-year development plan (Malaysia, 2001, 2006, as cited in Othman & Sulaiman, 2006). Othman & Sulaiman suggest that it is typical of most developing countries, that responsibility for developing human capital rest heavily on the government. Thus, government efforts are part of a major initiative to increase the output of skilled manpower to meet the needs of the economy and to remain internationally competitive. This may create an opportunity to adopt ADR in the sector, since the effective management of conflict is essential for workforce performance. Suppiah and Che Rose (2006) insist that conflicts in the workplace must be addressed constructively. Individuals need skills and knowledge to manage conflict as competently as possible, particularly when the avoidable conflict surfaces.
THREAT

Threats which may hinder the practice of ADR need to be considered as a precaution before attempts are made to implement the practice. The discussion provides a shift from the conventional practice of ADR. However, in Malaysia, the practice of mediation itself is still in an "adolescent" stage. Hui and Mohamad (2006) claim that mediation is merely being practiced on a voluntary basis. As a result of it being voluntary, affected parties seldom make use of this approach. Instead, they prefer traditional litigation. This suggests that ADR in the workplace is absolutely a new paradigm for Malaysians, and so may demand more effort and struggle to introduce than in other jurisdictions. This contrast with the advanced development of workplace counselling. See and Ng (2010) declare that "currently, professional counselling in Malaysia has poised to transition into its pubescence" (p.18) and will also envelop workplaces. This process may warrant the necessity of ADR which is perceived as still new to the system.

ADR: A STRATEGY OF IMPLEMENTATION

This SWOT analysis has attempted to estimate the perception of ADR by Malaysia's public sector. Folger et al. (2005) defines a good perspective as one that enables the viewer to explain the product or process in question and act on the explanation. By this definition, the perception based on the analysis must be accompanied with implementation. As suggested in this discussion, conflict management has been left largely unexplored compared to other fields of human resource management in Malaysia. Therefore this essay proposes a strategy for implementation to support the perception of good practice in the public sector. The blue ocean strategy framework introduced by Kim and Mauborgne (2005) originally applied in the business industry is co-opted as a tool to further design a strategy based on the above analysis. The phrase “Blue Ocean” is an analogy to describe the wider potential of market space that is vast, deep and not yet explored or the unknown market space. ADR in human resource management in Malaysia is yet to be explored. The “Blue Ocean” framework might be useful for ADR to catch the attention of the public sector. The following four action framework includes factors that should be eliminated, reduced, raised and created.

WHAT FACTORS SHOULD BE ELIMINATED

This analysis addresses possible conflicting views about the defining characteristic of ADR, namely the role of the third party. The expectation of impartiality and neutrality from the third party may lead to the role being assigned to an independent external third party. It may be harmful to eliminate this feature since, as Fisher (2001) insists, the effectiveness of third party intervention depends on the impartiality of that third party. However, local administrative culture hardly embraces the concept of empowerment. It is deeply engrained in Malaysian civil service culture that the role of impartial third party is
anticipated from the service itself. Again, as Ross remarks, (1993, as cited by Fisher, 2001) the way conflict is defined, perceived, responded to, and managed is culturally embedded, and may represent a point of divergence between cultures. In other words, there is a distinct “culture of conflict” in each society. In addition, according to Fisher, it has recently become accepted that the third party operates in various ways, though this adds to the complexity of ADR - and possibly also produces confusion. In context of this country, the existing structure may be reluctant to permit a neutral intervener from an external agency or business inside a department. Hence, an external third party may simply not be acceptable. This does not mean an end to the element of impartiality. This principal could be expected from those in an official capacity who have had proper training and exposure to the requirements and limitations of the third party role.

WHAT FACTORS SHOULD BE REDUCED

In a “blue ocean” context, competition is irrelevant. The strategy aims to minimise rather than increase the level of risk. This principle may be used as a reminder to proponents of ADR in Malaysia not to compete either with the preference for the traditional process of litigation or the more “advanced” and accepted practice of counselling. Instead, ADR should be offered as an additional alternative to existing practices. In this way, it might gradually reduce total dependence on the practice of counselling and likewise a traditional process of litigation. Though conventional ADR is a relatively new concept in the country, this development might still be regarded as a positive step towards the establishment of ADR in workplaces. The earlier discussion on the history of the development of ADR in US and Australia provides useful examples of implementation. In addition, counselling may also be categorised as a third party intervention and so the local system is already indirectly exposed to a form of such intervention. According to Brandon and Robertson (2007) it is a potential disadvantage that counselling has some negative perceptions. These include that the counselling service is ‘foreign’, culturally unacceptable, ‘sissy’ or a waste of time. The various processes offered under ADR may therefore be appealing by offering another option for resolving workplace issues.

WHAT FACTOR SHOULD BE RAISED

The Malaysian government always realises that the current work environment requires public sector organisations to respond effectively to the needs of the people and the nation. Mohd Yusoff (2005) mentions that the bureaucratic nature of the public sector is currently seen to stifle the process of change. However, Malaysia has long promoted the public sector becoming a more effective learning organisation. A key policy paradigm is that the public service must accept that it can learn from its employees. This is a radical change from the traditional bureaucratic approach of command and control. Jabroun and Balakrishnan (2000), in their paper examining the relationship
between participation and job performance in the Malaysian Public Service Department, agree that employee participation has been recognised to bring benefits to both individuals and organisation. Hence the method and intention of ADR amongst others in seeking greater participation and promoting constructive relationships in workplace should be highlighted. These principles are in line with the desired objective of the existing policy. The awareness is significant to shift the Malaysian public service's paradigm that ADR is one of the effective tools to encourage the employees to participate in organisational decision making process, where this scenario may contribute to employees' satisfaction and motivation.

WHAT FACTORS SHOULD BE CREATED

This analysis emphasises the government's focus on boosting its human capital in terms of policy, budget-allocation and infrastructure facilities. This emphasis may create a considerable advantage for ADR, predominantly by creating more training for in-house third party facilitators. Local cultural constraints may demand training for in-house facilitators. In-house training would, in fact, be consistent with the observation from Wellins, Byham and Wilson, (1991 as cited in Cascio, 1995) that, in an attempt to promote flattened hierarchies in workplaces, the managerial roles of controllers, planners and inspectors are being replaced by coaches, facilitators and mentors. Cascio also notes that modern management requires good interpersonal skills, continuous learning and an organisational culture that supports and encourages these attitudes. Malaysia is geared up to develop its human capital, so this should be possible. For instance in 2004, according to Othman and Sulaiman (2006) the Malaysian government approved the implementation of a newly introduced training initiative for producing Knowledge-workers in the country. This initiative originated from Germany, and Malaysia accepted the idea without hesitation as it was deemed capable of fulfilling the needs of human resource development.

REINFORCE THE IMPLEMENTATION

Analysis and a strategy for implementation are an initial requirement for ADR to be accepted in Malaysia. It nevertheless still requires a visionary leader to get this kind of effort started. Lynch (2001:207) notes that "in many companies with strong ADR policies, ADR is not simply a set of techniques added to others the company uses but represents a change in the company’s mindset about how it manages conflict"(p.207). The adoption of ADR may challenge the importance of hierarchy and support the rise of team-work based practices. This raises the question of whether high-ranking individuals or the Malaysian "elites" more generally are ready for such a change. The Prime Minister of Malaysia himself firmly insists the most vital aspects of leadership in the 21st century is the need to transform and perform (Abdul Razak, 2006 as cited in Cheng & Jayasingam, 2009). Interestingly Cheng & Jayasingam's recent study supports the claim that the leadership style of the
Malaysian manager is altering. This alteration may be due to the introduction of knowledge economy which requires a renewed workforce and an increasing need for autonomy and empowerment. For these reasons, hierarchies are being flattened and formalities discarded. Mohd Yusoff (2005) emphasizes that the public service of Malaysia must now think of itself as a 21st century organisation. The principles of democracy and liberalism that change the map of the world drastically in the late 20th century have finally trickled down to workplaces. Thus, to remain competitive within its preparation to become a world class civil service, the service must continue to redefine itself and not to be seen as a bureaucratic organisation. Management of conflict in workplace is another test as it seems to invite the sector to redefine its image. The willingness to implement ADR in the management of conflict within the sector might be a yardstick to measure the readiness of the country to transform and change. Currently, most developed countries have gone beyond ADR for a ‘new organisational phenomenon’ as described by Lipsky and Avgar (2008-2009) in applying integrated conflict management system in workplaces. Analysis of Malaysia’s situation suggests it may initially be wiser to promote the limited application of ADR in workplace. With the positive development of ADR, it may then be possible for the country to move beyond a limited model of ADR as a reactive response to problems, and towards a more integrated system conflict management.

CONCLUSION

It is hoped that this essay can suggest how to shift the Malaysian public sector’s perception of the workplace management as a significant element of human resource management. It is also a wish that the Malaysian public sector can perceive ADR as a useful tool to assist organisations achieve their goals. These expectations are based on the understanding that good conflict management produces good working relationship. This, in turn, produces better performance from the employees, which is extremely important to boost organisational effectiveness, and ultimately contribute to the success of a nation. The discussion has explored the sector’s perception of the new application of ADR in workplaces. The analysis depicted several vital aspects that need to be considered and, based on these, a strategy of implementation. Under the four analytical frameworks, it has eliminated a factor that might otherwise be a barrier for the implementation of ADR without entirely affecting the defining feature of ADR itself. It suggests not competing with the threat as a way to reduce the challenges; it identifies a significant factor for ADR to be accepted; and endeavors to create a better alternative based on the opportunity provided in the sector. It is a high expectation that, with this strategy, ADR may invite the attention of public sector managers. Although the country has an opportunity for change within its administration environment, the proposed strategy may only be implemented with public sector leaders leading the changes. In sum ADR is consistent with national administrative reform, which the government of Malaysia desires as a way to achieve its ambitious national goals.
REFERENCES


