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The Japanese Influence in Malaysian Automotive Industry:

Human Resources Management and Development Practices

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Abstract: This paper empirically examined the level of Japanese work organization and management techniques as practiced in PROTON. It has been argued that the Japanese work organization has been practiced and transferred more successful in the automobile industry because of its higher technicality. The PROTON-MITSUBISHI alliance has now been going for more than two decades (since 1982). Although PROTON has not yet been able to produce its own engine unless the CamPro engine with Waja model in 1999, this alliance is the best case to test the extent Japanese work organization is practiced to test the degree of transfer in the best sector and the best project to be studied. The discussion on Japanese influence on PROTON manufacturing systems to access the role of technological transfer done by Mitsubishi Motor Company (MMC) were well deliberated.
Keywords: Human resources; Management; Japanese influence; PROTON; Automobile industry

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1. INTRODUCTION

Japanese management is widely publicized as human-centered management. The company-based welfare system or high-cost personnel management has enabled the company to mould its young employees towards the company's culture and values. It also leads to high job satisfaction and performance, longer tenure and acceptance of change. To what extent has PROTON been influenced by Mitsubishi Motor Corporation (MMC) as the technology provider firm to manage its employees? Have high-cost personnel management and a company-based welfare system been exported from MMC to PROTON and since the venture is Malay dominated company, does this give a different color to its human resource management practices? In order to appreciate the proposed framework, the experience of Japanese technology transfer to Malaysia is used as a case study.

Since the research concerns an in-depth study of Japanese management transfer within organization, the case study method has been preferred. The issues of to what extent, how and why the transfer of Japanese management has been practiced by venture firm over time will be explored. The discussion relies on multiple sources of data, but mainly focuses interviews with the help of semi-structured questionnaires, observations and document searches. Data are analyzed qualitatively. The process of qualitative research is inductive in that the researcher builds abstractions, concepts, hypotheses, and theories from details (Creswell, 1994). In addition, quantitative methodology is also employed to give strength to the study. With data that can be used for generalization purpose, the findings might be more useful as a basis for research implication. It is also a way to examine in-depth and detailed areas of research (Bryman , 1992).

Data and information are collected by means of interviews backed up by semi-structured questionnaires, observations, records and documentation searches. In general, to answer "what" questions, any of the strategies such as exploratory interviews, surveys or analysis of archival records would be favored. "How" and "why" questions are likely to favor the use of case studies, experiments or histories. To study contemporary events, direct observation and systematic interviews are the factors that distinguish case studies and histories.

Human Resource Department at Proton is headed by a senior deputy manager, who is assisted by three deputy managers and five assistant managers. With 30 staff members, they are responsible for the development and welfare of the employees. The senior deputy manager reports and is answerable to a general manager for administration and finance. There are three main areas of responsibility, which are headed by three deputy managers; personnel matters, training and industrial relations. The deputy manager for personnel matters is responsible for recruitment, compensation and benefit. The deputy manager for training is responsible for the development of technical and non-technical training. The other deputy manager is responsible for industrial relations (Figure 1).

In 1993, of total employees, 50 percent were production workers, 33 percent were indirect and clerical and 18 percent were executives (Industrial Relation Section, PROTON). There were only 144 (3.4 percent) female workers, and nearly a quarter (24 percent) of them was in the executive group. This is similar to the Japanese standards where "very few females" apply for sogo-shoku, i.e. candidacy for managerial positions (Inohara 1990:59). In terms of racial composition, there were 1.5 percent Chinese, 2.2 percent Indians and the rest (96.3 percent) were Malays. The main bulk of the managerial teams are also dominated by Malays. This is in contrast with the other Japanese transplants where top management is dominated by Japanese (Ismail 1993:240; Guyton 2004:80). It also contradicts Malaysian manufacturing industry's managerial and labour patterns, which are dominated by Chinese (Imaoka 1985; Jomo 1993). At the time of field research there were 20 Japanese experts working at PROTON. They originally spoke only Japanese and a little bit of English, but now they can also understand a little bit of Malaysian. The Japanese are classified in three groups; management, engineering supports, and tooling shops. Half are in manufacturing works, whereas the rest are in the (Managing Director) MD's office, business, Research and Development (R&D), Casting, administration and Finance. Even though they have worked for more than 20 years in the auto industry, their present

work with PROTON only lasted 4 years. Their secondment normally lasts between 24 and 36 months.

All of them are classed in the managerial group, being deputy managers (45 per cent), senior deputy managers (15 percent), managers (15 percent), senior managers (10 percent) and advisers (25 percent) (Human Resource Department, PROTON). These experts are very important in operating the production line. Their function however, has changed from coaching and controlling the production operation in the first three years of commercialization (1985-1987), to advising their Malay co-workers to solve problem themselves (Jomo 1993uring: 285-286)5.

The first fourteen workers left Malaysia for periods of between three months to a year on May 1983. For the first 4 weeks, they learned Japanese, the fifth week they studied Japanese history and society, and after that they went to Mizushima factory of MMC for practical operation and engineering training (Jomo 1993:286). In 1985, some 330 trainees including engineers, research and development designers and managerial staff were sent to Japan. Concurrent training in Malaysia was supervised by the same (Japanese) instructor co-coordinating the programs in Japan. Most of the subsequent training has been conducted in Malaysia by a core of MMC-trained PROTON staff, monitored by their previous trainers. "Although never before required to train such a large corps within a short time, MMC obtained the necessary approvals from Japan." However, except in manufacturing technology, according to a manager interviewed: "PROTON is not bound to follow MMC's or the Japanese way in managing, mobilizing and developing and taking care of its workers". So to what extent does PROTON take up the Japanese work organization elements, especially the three pillars of Japanese human resource management namely: (1) lifetime employment, (2) seniority-based wage system and (3) Human Resource education and training (Inohara 1990:251).

2. JAPANESE INFLUENCES OF PROTON'S HUMAN RESOURCES MANAGEMENT

2.1 Lifetime employment and lay-off policy

2.1.1 Job classification

At PROTON there are two categories of workers: non-executive and executive. Foreman in the production line, executive officers from non-production line and above are classed as executives. Whereas anybody below that is considered to be non-executives. This minimum number of job classifications with various capabilities is a characteristic of many big Japanese companies (Milkman 1991; Abo 1992), such as Nissan Motor Manufacturing (UK) Ltd. where all manual tasks are covered just by two job titles, manufacturing staff and technician (This job classification is specially applied at PROTON and other car assemblers in Bratton 1992:24). Malaysia, where employees are divided into worker and executive categories (Jomo 1994b: 284). However, most of the other assembler's executives and engineers were Chinese, as the firms are Chinese-owned. Therefore PROTON's job classifications match the job classifications of other car firms but are fewer than in other manufacturing industries. However, it differs in terms of racial composition.

Non-executive workers in the production line are classified into 6 categories (GI, GII, G III, G IV, JTSS, and Assistant Foreman), with starting salary at the time of the study of RM 1,300 to RM 1,760. Administrative grades, are also classified into 6 categories (A, B, C, D, E, AND F), with a starting salary of RM 1320 to RM 1660. Annual salary increments for both classifications range from RM 130 to RM 160. The executive group is classified into 14 levels. A new officer enters as Executive Officer or

[5]According to a manager interviewed: "Their functions are to assist and guide the Malaysian workers in operating the car assembly plant. Normally they will assist when problems arise, or if asked by Malaysian workers. Sometimes they do identify and suggest solutions on their own. The rest of the time they do their own jobs prescribed by MMC. One of their most important duties is to send reports to Japan".

Foreman, then can be promoted to assistant manager I, assistant manager II, deputy manager, senior deputy manager, manager, senior manager, deputy general manager, general manager, chief general manager, senior chief general manager, executive director, deputy managing director, and managing director. In other words, it is a tall organization hierarchy (Azumi et al., 1986) and it may take long years of service for an executive to reach the top, as acknowledged by a Japanese expert.

In Japan, permanent or lifelong employment (*shushin koyo*) is based on unwritten employment contract but relies on mutual trust, except for non-regular employees who they have to renew their employment contract annually (Inohara 1990:23). Lifetime employment encourages loyalty, reduces labor mobility and reinforced by the seniority pay and promotion system (Oliver and Wilkinson 1992:44). This is in contrast with some Japanese plants in California, which avoid lay-offs so as not to invite unionism. It is also argued that a big company worker enjoys lifetime employment benefits at the expense of temporary workers (normally women) working for its subcontractors (Milkman 1991:85-86).

In the case of PROTON male and female employees can work until the age of 55 and 50 respectively. Similar retirement ages are found in the public sector. The company can still offer re-employment on a month-to-month basis to an employee who has retired (Collective Agreement, Article 47.A 1992/93). At present, no worker has been dismissed due to the business down turn. Under Article 48 of the Collective Agreement there is provision to retrench (dismiss) workers provided such employee(s) shall be given two months written notice, and the company shall pay retrenchment benefits in a lump sum at the rate of one month's basic salary.

During the tight time in 1987/87, instead of dismissing workers, they managed to keep their workers by working only three days a week. They persuaded their workers to do landscaping, cleaning and repairing their own machines within their own premises, etc. As a resignation occurs, the personnel department will not refill the post. This practice is different from the general Malaysian practices of the mid 1980s where many factory workers were laid-off (Abdullah and Keenoy 1995). Similar practices took place in Japan. When business turned down, they used to transfer their workers into other departments and also to other subsidiaries (McMillan 1989; Inohara 1990). Compared to the 3 percent industry monthly turnover, PROTON's 0.6 percent turn over is low[6].

Most production workers who resigned came from body assembly and trim and final shops, where the hard and heavy jobs are located. In order to prevent this, according to assistant manager interviewed: "There are two ways to prevent turnover. One is to have stricter selection process, whereby only those who are physically fit will be recruited. The other one is to offer an extra allowance of RM 100 per month for hard heavy jobs."

2.1.2 Job entries and recruitment process

According to Human Resource Department (HRD), there are two points of entry, one for operatives and another for executives. Both target new school or college leavers and graduates. PROTON's human resources department imitated MMC and Japanese companies, which specifically recruit a young workforce, fresh from school, and ready to be uncalculated in the strong work ethic of the company, which stresses dedicated performance of tasks, discipline, productivity and total commitment to product quality features, which are generally associated with Japanese automotive manufacturing (Dore and Sako 1989).

PROTON uses both internal and external advertisements to fill vacancies. When there is a vacancy for a top management post, it advertises openly and preference is given to internal candidates. But if

[6]Commenting on turn over, one senior deputy manager argued: "As a company, we are trying our best to satisfy our workers. It is up to them to evaluate what they get, and stay with us. In Malaysia, many people hop because of better offers, but they fail to see the long-term gain that he/she might get by staying I one company. For me, I am working to satisfy myself. I'm happy working with a company that can contribute not only to me but also to the nation as the whole".

there is no suitable person, it will try the open market. It is also a policy of PROTON not to recruit foreigners as employees, though foreigners worked at the PROTON vendors visited. Japan has one job entry and promotion has been always internal. At PROTON, workers are hired for the post, compared with recruitment for the company in Japan. Therefore, regardless of their degree, these employees will be given very low jobs so that new entrants "experience hard jobs." (Inohara 1990:65).

The screening process takes 7 to 14 days, and interviews take another 7 days (approximately). At the time of interview, the workers are not informed where they are going to be posted. Their abilities and willingness to work in a group are also not tested and examined during the interview. Big Japanese companies and transplants employ an aptitude test, written attitude test, drug scanning, team leader interview, and team work problem-solving exercise (Graham 1994:133-134). Every new worker will undergo a three day orientation program. After this, they will be told where they will be placed. They then undergo three months' on-the-job training in their respective department or section. Respective managers and foreman act as facilitators and trainers. According to one production manager, an engineer is trained for three months at PROTON compared to three years at MMC.

2.2 Seniority and Wage system

Another basic feature of Japanese human resources management is the seniority-based reward system (*nenko joretsu*). *Nenko* means the length of the service, and age is said to play a more dominant role in determining salary than job performance and competence (Littler 1982 cited by Bratton 1992:29). This is a misinterpretation. *Nenko* refers to all the technical and social merits or capabilities accumulated over the years in working cooperatively with colleagues (Inohara 1990:85). It was reported that with the increase of competition among workers, as many as 80 percent of Japanese firms which employ over 1,000 workers use personnel assessment systems in considering individual pay and promotion (Endo 1991 cited by Oliver and Wilkinson 1992:48).

At PROTON, according to a spokesman from HRD, assessment is carried out annually for the yearly salary increment and not necessarily for promotion. At the time of submission, the department is asked whether they are a chance for promotion. Assuming there is a budget and the candidate is capable of performing new roles, the promotional exercise can proceed. In other words, the promotional exercise is done as the need arises. Merit is the main criterion in the promotional system. The ability to perform the job and work performance is very important criteria in upgrading any staff members. Seniority alone is not enough to promote or to give an increment to a worker. Seniority will only apply when there are more than two candidates qualified for one vacancy[7].

The head of each department will evaluate the worker to be promoted. To avoid inconsistency in promoting workers from different departments, the human resources department (as facilitator) will apply its "bench marking evaluation analysis" method, and meet with the promotional committee, which is chaired by the MD. The department will have to consider whether there is a budget or not, whether there is a need or not, whether to recruit new or existing workers or not, etc. However, it is the MD who will have the final say, and this is a very confidential exercise. According to an informant interviewed, up to 1994, one production worker was promoted to assistant manager. In other words, on average he was promoted three times within three years, from the line keeper in 1985, to assistant foreman (1988), foreman (1991) and assistant manager (1994). In this respect PROTON does not follow Mitsubishi in promoting personnel. According to informants from the human resources department and a Japanese expert, promotional exercise at PROTON is faster than in Mitsubishi, at 3 years against 15. At the same time, many executive officers have been newly recruited. It is a second job entry for PROTON. In early 2004 alone, there were 11 new executive officers and 2 deputy managers recruited from outside instead of promoting from inside as practiced by Japanese companies (Inohara 1990:31). The details can be seen

[7]It is the company policy to promote employees from lower grades, including executive positions, when suitably qualified employees by merit, qualification, ability and experience are available and this policy will continue. Article 18 (A), Collective Agreement 1992/93.

clearly in **Table 1.**

Overall, the main bulk of executives have been with the company for 5 to 9 years (49 percent), followed by executives (41 percent). As we can see, more than 50 percent of executive officers, assistant managers, and deputy managers joined the company 4 years ago or less, as did about 21 percent (8) senior deputy managers and 26 percent (8) managers and senior managers. This shows that internal appointment and promotion to managerial posts as in Japanese companies is less common at PROTON. In fact, one deputy general manager, one executive director, and one managing director were recruited from the open market. On this matter, one of the Japanese experts commented: "There are executives with little car industry knowledge and experience." This appointment and recruitment culture, the author argue, slowed the performance of the company for 4 reasons. First, the company gave less priority and attention to experienced production workers, which is a priority in many successful Japanese and German manufacturing businesses (Inohara 1990; Lawrence 1992:81). Second, demotivated and demoralised senior foreman and assistant foremen who had been with the company from the beginning. Third, manufacturing management was given to new and inexperienced executives, who took time to learn how to manufacture and to manage. Finally, conflicts tended to arise between highly experienced workers and lack of experience (shallow) technical administrators. However, most foreman, assistant foreman, assistant managers and top managers, joined the company at the beginning. The "open market intake" phenomenon is not only happening at PROTON, but throughout the industries in Malaysia due to few reasons[8].

In this sense, one cannot claim any simple transfer of Japanese work organization to new soil as claimed by its promoters such as Kenny and Florida (1991, 1993, and 1995) and their camp. In the case of Malaysia, it shows Japanese work organization is nationally bound as noted by Elger and Smith (1994). In other words, internal promotion on the Japanese work organization or Japanese model probably cannot operate in Malaysia, unless there is total educational, socio-cultural and industrial change, which is not likely to take place in a short period.

2.3 Human resources education and training

Japanese companies consider "training and development as a prime responsibility" (Inohara 1990:69).The training is face-to-face, person-to-person and is learned by performing the job with co-workers. The developmental programs for PROTON's workers were initiated not only by the human resources department and specific department concern, but also by many other parties, such as unions, clubs, the welfare committee, the prayer room committee, and PROTON housing apartments association. In Malaysia a job is considered part of one's religion.[9]

[8]As one deputy manager pointed out, there are three barriers to truly internal promotion, i.e. from bottom-upward in Malaysia: "First, the wage system. There is a great difference between the take home pay of an engineer compared with a technician. In Japan, the difference is not big. Here, higher salaries are offered to those who have more experience. Second, the education system. There is a lack of vertical and horizontal career development. A technician will never be recognised as an engineer, even though their experience is deeper than engineer's, unless they sit again for another engineering class to acquire an engineering (paper) qualification. Third, job hopping. This culture offers a good service to other companies who do not want to invest in training. By offering attractive perks and remuneration, they get workers in shorter period at less cost from market". When Mr.Takahara, advisor to PF 41, a new car model under development was asked about intake and promotion practices at PROTON, he explained: "In terms of promotion, here it is very fast. Every 3 to 4 years staff will be promoted. Not like in Japan, where promotion is very slow, that is after 15 years. This company is better, because faster promotion will lead to higher motivation. However, there are other things which I can't understand, that is, managers and top executives are recruited from outside instead of promoting from inside. Maybe because of culture. In Japan, every year we employ new young graduates from university. A young engineer might be transferred to several posts and departments before he can be promoted as a manager. And that will take 15 years".

[9]"In Japan, work is treated as a responsibility. Therefore, they work hard because they have to work. In other words

As explained by the HRD spokesman, the human development programs can be classified in six categories: (1) Physical and health development programs through sports, games, and recreation activities; (2) Job related knowledge and skill development programs through in house on-the-job training and outside skill training, including in Japan; (3) Values and morale development programs through continuous religious guidance classes, beginning and ending prayers, leadership courses, monthly religious talks, National Biro programs, (4) Cohesiveness or groupism development programs through daily family gatherings, daily congregational worship, weekly Friday prayers, funeral gifts and visits, (5) "*Banseki* or Adventure Learning" (Malaysian model), a four-day outward bound campaign to develop inner strength, confidence and skill in managing changes and uncertainty; (6) a "*Bina-Insan*" or "*Human improvement*" program which includes jungle tracking, games, sports, back home work improvement action plan, daily congregational prayers, night prayers, discussion of work and its responsibility from a religious point of view, and its links with the job in the factory.

The programs teach managers to assume the task "as a trust and a form of general worship" so they are responsible for providing a comfortable environment to workers. This led them to set up a company housing estate nearby (about 2 km from the factory), housing and car loans, financial funeral gifts, kindergarten, prayer rooms, etc. And they offer the facilities to please Almighty Allah, not to please the workers. The programs teach the workers to work not for money and promotion, but "as a trust and also as a form of general worship". So they too must do excellent work. If there is disagreement between management and labor, they hold meetings and consultations rather than moving quickly to lay-offs, strike and disputes. Though many authors have claimed that Malaysia labor is generally weak and poorly organized (Wad.P and Jomo 1994; Smith C, 1994; Jomo 1995; Abdullah and Keenoy 1995), the author believe that Malaysians (particularly Malays), whether managers or labors, still pay their "*budi bahasa and adab*" or "courtesy" as taught by Islam which is embedded within them. Nevertheless, from the author's interviews with human resource personnel, there is still a lack of efforts to link those values education programs (religious sermons, talks and workshops) to work habits and productivity. The systematic measurement and evaluation of these programs for further improvement, and the selection and schedule of the modules in relation to objectives are less developed. There is over emphasis on the non-executive programs, whereas these programs are also essential for executive and managerial teams.

2.4 Multi-skills career development, CrossTraining and Tansfer of Technology

In Japan, the idea of creating multi-skilled and flexible workers is enhanced so that both company and employees are not limited to one specialized skill, which may soon be obsolete (Inohara 1990). Multi-skilled workers and a flexible machine layout are needed in order to react to fluctuation in demand (Oliver and Wilkinson 1992). Article 17 in the Collective Agreement 1992/3 of PROTON states: All employees are subject to transfer from one work station or location to another in accordance with the company's operational requirements." Even though there is provision for transferring the workers, according to an assistant manager interviewed, "in practice it was hardly implemented, except in the managerial group (foreman and above)." For example, a production manager II (since January 1994) was previously in maintenance (1984-1988) then transferred to production I (1989-1993).

No transfer exercise take place among employees below assistant foreman. There are job rotation exercises for line keepers but only within their cell (with a specific range of skills), not between cells[10].

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they work with lack of sincerity. In Malaysia, work is considered a trust and general worship of The Almighty God-Allah. Therefore everyone willingly and sincerely does the job. Through the designed programs; everyone is prepared to be knowledgeable and skilful. Their knowledge, skill, faith and morale are developed so that they are fit to work and behave in and outside the factory. They are taught to be highly self-motivated, desire to excel and to learn continuously. They are also taught that work (to earn a living) is a good deed, which will be rewarded in the hereafter. Thus, everyone is taught to present their best deeds or best works for the acceptance of The Almighty God-Allah"- PROTON HRD manager.

[10]If a worker is transferred from assembly line to non assembly line, they regard it as promotion, but if we transfer a worker from trim and final to body assembly, they will take it as a demotion. It is a hard policy to implement. What

The stress on a flexible or multi-skilled workforce is a prerequisite for a flexible manufacturing system (Bratton 1992; Kenny and Florida 1993). The likely problems, according to a senior deputy manager, are: The president of the PROTON workers' union (PWU) agrees to the transfer of personnel provided it is based on multi-skills acquisition, or is a form of promotion[11]. Both statements show that union and workers have considerable power to prevent unacceptable labour deployment; so that management cannot transfer and rotate their workers without proper grounds. There is no written policy on multi-skilled development in the company, but there is some movement to enrich workers' skills. This is done only within a section, not between sections. For example, a trim and final worker may work one day in TF 12 to fix head liner, brake pedals, accelerator cable, clutch cable, speed cables, and the next he may be fixing rear absorber, air distributor, brake booster, wiper motor and weather strips in TF 13. Both of these workstations are located within trim and final. This transfer is neither periodically planned nor ad hoc, but rather arises from-the worker's requests. According to a assistant manager at HRD, when there is a promotional exercise the potential employees will be transferred for job enrichment and familiarisation. Research by Florida and Kenny (1991) also showed that transfers between departments are rare.

2.5 Welfare Practices

Company-based welfare systems are another feature of Japanese personnel management (Oliver and Wilkinson 1992). In the West, company welfare is grouped under extrinsic and intrinsic rewards to workers (Child and Tayeb, 1983: 172). Today, organisations in the East and the West work to satisfy their customers, which in the end increases profit. Culturally, the Japanese take more care of their workers than does the West (Othman Alhabshi 1994). On the other hand, Japanese companies are said to impose 'inhuman-robot-like work', and to overwork their workers (Kamata 1983 and Kawahito 1991, cited by Oliver and Wilkinson 1992:50-1). PROTON believes that its employees must develop and become better equipped in order to contribute effectively. It has five commitment charters, to shareholders, business associates, workers, customers and the nation. As declared by the head of the human resources department: "PROTON must promote a conducive environment, focusing on long-term human resources development. All programs are directly or indirectly related to the above commitment".

The salary offered is competitive when compared with other companies. But in certain circumstances, PROTON had to offer more, not only to attract excellent workers but also to retain them. At PROTON, yearly increments are balanced between innovation and workers' capabilities. If workers contribute continuously through abilities and skills, they will be given a higher increment. The supervisor will assess the individual performance and a rating will be given. To ensure that the increase of salary is justifiable and reasonable, there are certain criteria to be followed such as: (i) expertise (ii) ability (iii) performance (iv) education background and (v) demands of the profession. At the time of the study, a 3-month bonus was given to all non-executive employees, regardless of whether the targets were met or not. The executives can only get their bonus after they have met their targets. Besides basic salary, yearly increment, and bonus, workers receive payment for work on non-working days, gazetted public holidays, non-working Saturdays, outstation allowance, shift allowance, and a mileage claim. The same practices are found in most industries (Abdullah and Keenoy 1995). To give employees satisfaction, PROTON provides many work facilities, sports and recreation, religious facilities and transportation facilities. Other fringe benefit are education assistance, company housing, subsidized housing loan, subsidized car loan, compassionate leave, funeral expenses, a gratuity for celebrating the ending of fasting month (Ramadan), pilgrimage and such like leave, annual leave, maternity 1eave, disablement alternatives, retirement benefit and paid holiday. This was similar to the practices of big corporations in the US (Kanter 1983) and Cadbury of the UK in 1900 (Smith, C. 1990:60).

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is sure is that, so far we have never transferred a worker from non-assembly line to assembly line.

[11]"We agree to any transfer of workers based on skill upgrading and for promotion. But it is demoralizing when a person transferred out from his section and his seniority is lost, or if it done as another way of punishment".

According to a HRD manager, two recognition schemes were reactivated begun in 1994, the best group award (every two months), and long service award (for ten, twenty, thirty years of service). The criteria used for this best group award are: quality of work following standard operating procedures, neatness, attendance and punctuality, safety and health, application of 4S, and QCCs. From the yearly PROTON QCCs' convention, an award is also given to the best group (first, second. and third) and also to the groups that participated in the final presentation. Another form of recognition from company to workers is that when the company wants to do or have something, it usually informs and involves the union. However, under Japanese management, the union was even called in at the discussion stage. Further recognition to workers is through company gifts. For example, pens and coupons are given to each worker when the company achieves outstanding performance such as passing sales targets or launching new products. 'Internal promotion is also a strong indication of recognition. But until now, only one line keeper has been promoted to assistant manager (as reported by a deputy manager at human resource department).

After nine years of operation, in 1992 PROTON was publicly listed. About 3.8 percent shares were reserved for the directors and employees. A majority of 9l percent of the shares belong to 36 investors (as of May 31, 1993). In other words, the company belongs to outsiders. This contrasts with the ownership pattern of Japanese company, where the majority of shares belong to insiders (Zainuddin 1993:22). Japanese shareholders have little influence on the running of the company, the balance of power overwhelmingly favouring the managers. However, in Malaysia shareholders have great influence on the running of the company, such as on the appointment of the managing director, on corporate strategies and dividend disbursement.

2.6 Supervision

According to Rehfeld, who worked for nine years with Toshiba of America, the Japanese are not interested only in results, but are equally interested in the process and in how you can do it better next time. They also, without getting emotional, fix the problem without attributing blame (Rehfeld 1990: 169-171). At PROTON, according to a senior worker interviewed: "Generally, Malaysian managers are result-oriented, and put less emphasis on how to achieve the targets. Work-in-progress, production volumes and the services targeted act as a driving force for all workers. When the time is due, the results must be submitted to the boss. Follow-through and follow-up are not really carried out". When a manager goes to the shop floor, his concern is with the products and machines, not the workers. By contrast, Japanese experts emphasize the 'know how and know why of the process and practice close and continuous supervision throughout the projects. As commented by a foreman: "to some extent Japanese managers are smarter or cleverer in winning the hearts of workers than local managers are". The way Japanese managers supervise seems to be admired by foremen and production workers.

3. CONCLUSION

At the organisational level, a reward was given for the 'caring organisation', and PROTON was awarded the 'Caring Employer Award' by the Ministry of Human Resources for the year 1994 in conjunction with workers' day celebrations. The award is for model employers in the manufacturing sector with more than 500 workers[12].

[12]In 1992, the Malaysian government launched 'caring society' and 'my home is my heaven' campaigns. The propaganda message of the government was for everybody to love everyone in society. Leaders, parents and bosses, were encouraged to take care of their children, workers and subordinates. And subordinates should love and be loyal to their bosses and parents. And everyone shall be responsible for their environment. The purpose of these campaigns was to nurture love and affection within society and

Looking to the practice of PROTON's human resources management, it seems that PROTON has a mixed or 'cross-cultural' management style. On the one hand it practises normal human resources management and development, such as promotional exercises based on merit not seniority, and promotes people from outside although internal promotion is preferred. An element of separation still exists in PROTON, where top executives and workers have separate car parks and take lunch or dinner in different cafeteria. The rewards and appraisals are mainly for individual performers and the supervisors stress results more than the process.

On the other hand, PROTON has also adopted some Japanese human resources management and development style, such as a fresh intake of workers from college and universities, and continuous training and development. It also has double work entries (intake), open offices and the wearing of a single uniform. It avoids lay-off, involves workers in operational matters, and enable engineers to become managers. Slowly, rewards to the best group performers are being introduced, and sports and other facilities are provided. Those are the Japanese elements practised by PROTON, though normally for 'core workers' only (Oliver and Wilkinson 1992:57; Kenny and Florida 1993: 10; Elger and Smith 1994:42).

Malaysian values and culture definitely influence the human resources management of PROTON, as in the implementation of adventure learning, human improvement program, monthly and periodic religious talks/workshops, yearly family days, yearly fasting month programs, daily prayers and worship, weekly congregational Friday prayer and other religious facilities. All these practices inculcate and develop cohesiveness between PROTON citizens, respect and loyalty, sincerity of action, and develop morale and ethics. Good human resources management is believed to lead to a harmonious labor-management relationship.

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TABLE

Table 1: PROTON executives' length of service

Job Status	Length of service years (%)			
	4 & below	5 to 9	10 & above	Total
Executives Officers	177 (57%)	109(36%)	21(7%)	307
Foreman & A. Foreman	1(1%)	150(88%)	19(11%)	170
Ass. Manager I and II	97(54%)	74(42%)	7(4%)	178
Deputy Manager	22(59%)	14(38%)	1(3%)	37
Senior Deputy Manager	8(21%)	23(61%)	7(18%)	38
Manager & Senior Manager	8(26%)	7(23%)	16(51%)	31
Deputy General Manager	1(17%)	-	5(83%)	6
General Manager	-	2(40%)	3(60%)	5
Executive Director	1(100%)	-	-	1
Deputy Managing Director	-	-	1(100%)	1
Managing Director	1(50%)	-	1(50%)	2
TOTAL	316 (41%)	379 (49%)	81 (10%)	776 (100%)

Source: Human Resource Department, PROTON.