



## Critical Practice Lens for Economic and Government Transformation Programmes

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### ABSTRACT

“TRANSFORMATION” has been a recurring pervasive principle and nametag among all the Malaysian public sector initiatives — beginning with the Multimedia Super Corridor in the mid-1990s, then the knowledge-based and innovation economies, and subsequently the regional development corridors in the 2000s. In the last two years, however, the Government has been taking a radically new approach to national transformation. The Government Transformation Programme was initiated in 2009, followed by the New Economic Model and Economic Transformation Programme in 2010. More recently, new programmes were started in the areas of political and rural transformation. Presently, transformation can be perceived as the inception stage, as the various programmes will be undergoing a long continuous implementation journey into 2020. In order to make a real significant change to the condition of the Rakyat, the transformation needs to be driven from a synthesis of economic, managerial, organizational, social and technological dimensions at the multiple levels of the individual, organization, industry, government, society and nation. We offer another way of seeing and doing transformation using an enhanced critical theory and critical practice. We define critical practice as an iterative reflexive process, firstly by developing knowledge-for-understanding from a sophisticated model of reality. Secondly, we provide a critique of underpinning assumptions and presumptions whereby the constraining conditions of the status quo and emancipation become knowable and explicit, that is, knowledge-for-evaluation. Finally, we re-create, re-define, re-design, re-imagine, re-invent and re-vision the pragmatic, doable and implementable programmes from knowledge-for-action. We re-define the concept of “Doing and Being” whereby Yin meets Yang in critical practice

of the economic, government, political and social transformation initiatives to transform Malaysia into a high-income developed country by 2020.

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## INTRODUCTION

Ever since the beginning of the 1990s, Malaysia has been adopting the concept of a "Quantum Leap" in all its government projects. In the mid-1990s, an Information Communications Technology (ICT) mega-project known as Multimedia Super Corridor (MSC) was created by the Government to convert and transform the whole country into its own version of California's Silicon Valley. The rationale at the time was that Malaysia would have to make a transition from an industrial economy model to a post-industry model by drawing on multimedia technologies and the ICT industry. Without this transition, Malaysia would not be able to become a developed country by 2020, a target set in Vision 2020. The MSC was marketed as Malaysia's "Gift to the World", and from its beginning to now, the MSC has been developing the ICT industry to compete with those in developed and developing countries in both the East and West (MDC 1997, 1998).

A focus on the knowledge-based economy (k-economy) and the innovation economy were heavily underscored in Malaysia's development plan of 2006-2010. The strategic intent was to capture and highlight the crucial aspects of knowledge, creativity, and innovation, in order to create new value in generating and sustaining economic growth. In 2009, however, the

Government Transformation Programme (GTP) was initiated to make the government machinery a more effective, advanced, safe and accountable entity. National key results areas include reducing crime, fighting corruption, improving student outcomes, raising living standards of low-income households, improving rural basic infrastructure and improving urban public transport. The GTP built on the MSC's Electronic Government Flagship, whereby ICT had been the enabler of process re-designs in the government ministries and agencies in the previous decade.

By 2010, and with 10 years remaining to achieve the target of becoming a developed country as per the national Vision 2020, the Government designed a new quantum leap mega-project called "Transforming Malaysia". The new national vision is "1Malaysia" and the concept is for the government to focus on the needs of the citizens and to act now rather than merely talk. More importantly, forming a united, multi-racial society is foremost on the minds of the policy makers.

In this paper, the Malaysian Government's National Transformation Policy and Programmes, and the concepts underlying the initiative are described. Next, I evaluate the theoretical basis of the national transformation initiative from an interpretive methodology based on my subjective interpretation of events, actions, and processes. Then, a review of the literature on various theories will attempt to provide a different way of assessing implementation success. From the analysis,

a new theoretical framework that could form the basis of an alternative practical methodology for transformation will be formulated.

**THE CASE: TRANSFORMATION OF MALAYSIA**

Fig.1 captures the key components of the Government’s national transformation initiative, i.e., the programmes, concepts, current national development plan, the Government and citizens. By 2011, Malaysia had reformulated an entirely new model for economic, government, political, rural and social transformation.

The New Economic Model (NEM) aims to transform the economy into one with high income and quality growth over the

remaining years to 2020. The NEM has three guiding principles and objectives on per capita income, economic sustainability, and the inclusiveness of all citizens regardless of their race, as depicted in Fig.2.

The final part of the document was launched and described as a “Quantum Leap for Malaysia” on 3<sup>rd</sup> December 2010. A series of justifications and principles of the new national programme were illustrated and put on the Internet. The National Economic Council analyzed the comparative GNI per capita with the neighbouring countries, identified diverged growth trajectory and GDP growth since the post-Asian crisis, measured quality of human capital, research and development capabilities as compared to the rest of the world, income distribution

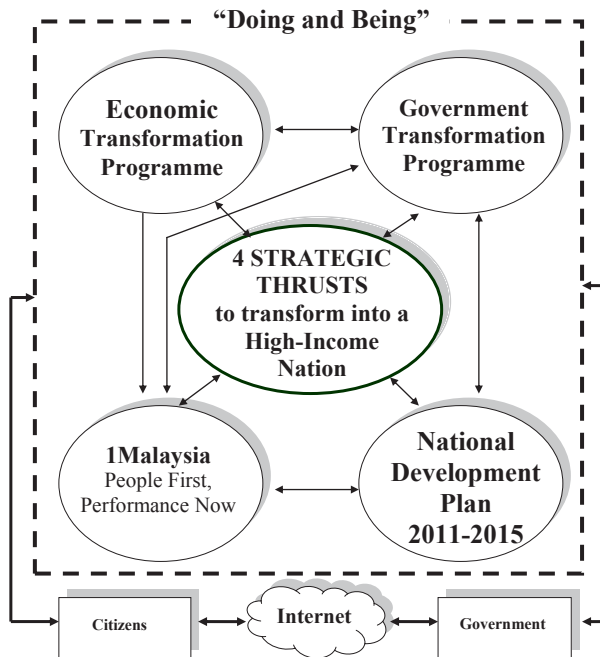


Fig.1: National Transformation Model

disparity, state participation in the economy, and the conventional approaches to strategic planning and policy formulation and implementation. The report described various strategic reform initiatives, and identified national key economic areas to focus on. The new emphasis was on private sector-led growth, technologically-capable industries, cluster and corridor-based economic activities, and localized autonomy in decision making.

The ETP and GTP, together with the incumbent 5-year national development plan on macroeconomic growth targets and expenditure allocation, were integrated into Malaysia's national transformation initiative. They are readily available and downloadable from the Performance Management and Delivery Unit (Pemandu)'s website. Moreover,

there is regular news on the impressive progress in the media. Indeed, a Google search on "national transformation", "state transformation", "economic transformation" and "government transformation" finds that Malaysia is the country that gets the most related hits.

Transformation has been widely perceived by the Government and Barisan Nasional (BN, the National Front being the ruling political coalition) as the prerequisite to becoming a developed country by 2020. The imagination of being the first country to undertake a national-level transformation was best captured in the Fig.3, taken from the government transformation website.

The Pemandu's website, [www.pemandu.gov.my](http://www.pemandu.gov.my), says that the transformation initiative is an "entirely new, new way" of doing things in Malaysia. Conceptually,

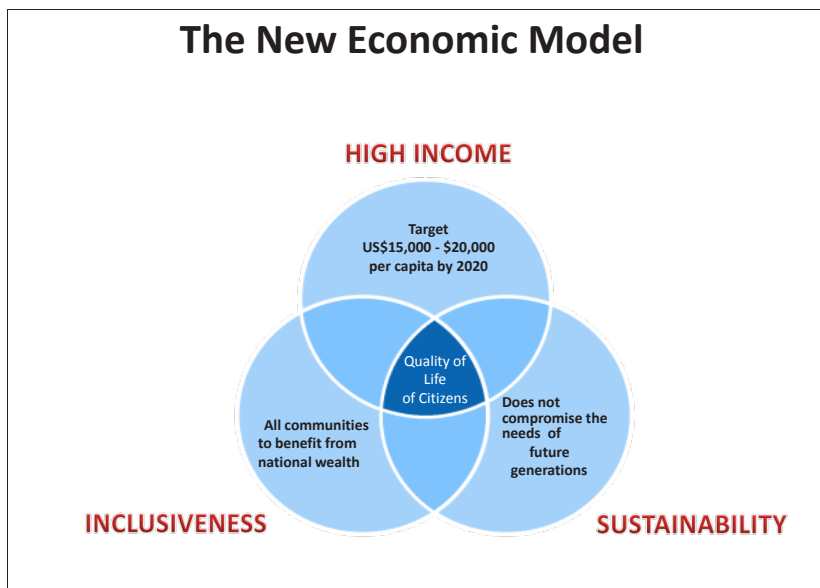


Fig.2: New Economic Model

“doing” (or action) refers to innovative ways of prioritizing projects, solving problems, instituting discipline and delivering results, while “being” (or character) refers to an innovative mindset, innovative culture, and innovative capabilities. This new model deletes the traditional methods used in the private and public sector management tools and methodologies such as incremental changes, six sigma, kaizen, ICT system implementation, training and development, mindset change, process improvement, policy change, just-in-time, capability building, research and development, corporate planning and strategy. In other words, conventional techniques and tools, largely from Western management literature and practices, are now no longer relevant to bring about transformation to Malaysia. Their relevance is even being questioned in the West; Wright, Paroutis and Blettner

(2012) titled their new research paper: “How Useful are the Strategic Tools We Teach in Business Schools?”

Dato’ Sri Idris Jala, Minister without Portfolio in the Prime Minister’s Department and Chief Executive Officer of Pemandu, said:

*When you don’t have that measure of true north, you cannot prioritize because everybody uses the word ‘strategic’. That’s the worst word you can ever use*

His philosophy has been

*by heading towards true north.... a compass to measure where true north is, and very simply. Three measures: GNI, investments and jobs*

## We cannot continue at the current pace unless we transform...

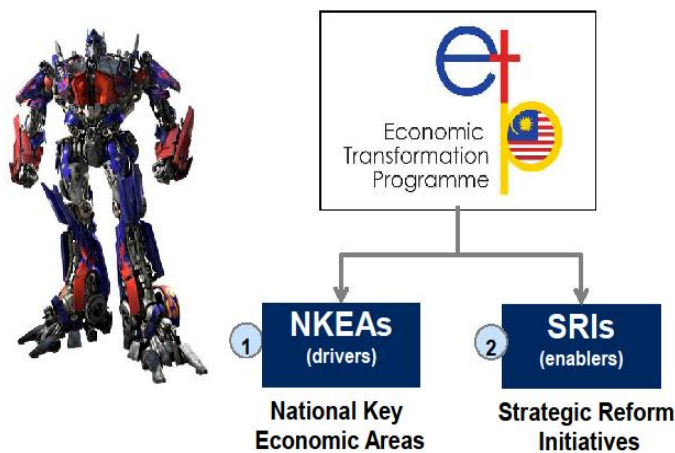


Fig.3: National-level transformation, taken from the government transformation website ([www.pemandu.gov.my](http://www.pemandu.gov.my))

According to him

*We need the yin and yang.... focus and competitiveness.... doing and being.... projects and Strategic Reform Initiatives*

(The Edge, 8 April 2012, pp. S6-7).

In an October 2011 McKinsey Quarterly article (Daly & Singham 2011), Dato' Sri Idris Jala explained the approach to implementing the ETP and GTP in the quotation from pages 4-5 below:

*There is a need to jump start the national transformation effort by "running really fast, with 9 years ahead to achieve Vision 2020", "a lot of things have to be done fundamentally differently to get to the way we want to be", and "driving transformation through Pemandu". Pemandu, in Bahasa Malaysia, means "driver" and acts as the catalyst and architect of the transformation programmes. It has a team of 127 people who are seemed to be really motivated to make a difference to society. Half of them are from the private sector, and the other half are from the civil service.*

*There are six very specific techniques in the Pemandu methodology, a "Big Results Fast" methodology.*

In the words of Idris Jala, these tools are:

1. *Be clear about what constitutes success. Pemandu has a technique where we use public opinion to determine our areas of focus.*
2. *Run labs, which is a new, intensive problem-solving approach. For example, on the GTP, it had 260 of the best civil servants working across six labs on each of the National Key Result Areas. They are from all parts of the civil service: police, teachers, transport people, and everybody. The labs, which usually last six to eight weeks, involve people doing analysis on a full-time basis, handling problem solving, and then finally creating a detailed program of action.*
3. *"Open days," or town hall sessions. The entire Malaysian public is invited to come and engage with us and see what we have produced in the labs. All the programs are open to the public for detailed scrutiny.*
4. *Published our detailed promises in a 264-page book called the Government Transformation Programme Roadmap. We have*

*no choice now but to deliver because the whole world knows, in detail, our promises.*

5. *Leadership intervention through steering committee, weekly reports, and daily interventions. The term we also use is “discipline of action.” Where every week, I have problem-solving meetings with my team and the respective delivery-management teams from the civil service. We look at only problems.*
6. *The sixth technique is to agree that we publish, annually, a report to the public about our results. This 250-page report discloses the facts on what we have and have not achieved in 12 months.*

*The Economic Transformation Programme (ETP), a road map to lead Malaysia to high-income status by 2020, followed in October 2010. The program targets annual growth of 6 percent and a doubling of gross national income (GNI) per capita, to \$15,000, thus meeting the World Bank standard for a high-income country.*

*This economic programme was distinctive from what other countries do and what Malaysia has done in three ways. Firstly,*

*the program addresses focus and competitiveness. We are focused on 12 sectors that are going to deliver this growth—for example, palm oil, health care, and tourism. We’re also making deep-rooted reforms to improve our competitiveness in such things as international standards, in liberalization, human-capital development, public-service transformation, and delivery systems.*

*Secondly, this is a concrete programme. This is not a high-level plan about strategy and intent. We’ve identified 133 concrete entry point projects, which, at the start of the journey, are going to contribute a great deal for our economy. The programme also has targets, milestones, and accountability. This program is detailed in a 605-page book called *The Economic Transformation Roadmap*. We use this almost like a prospectus to all the companies in Malaysia and even foreign companies that want to invest in the country. If you want to work and grow in the chosen sectors, we’ll encourage you to look at these opportunities and translate them into projects. Over the next ten years, we’d like this to mushroom into thousands of projects that the private sector will take and move forward.*

*Thirdly, the programme was co-created by the private sector. We had 350 people from the private sector working with 150 people from the public sector for eight weeks in intense labs. Essentially, the private sector is now telling the government this is what we ought to do. Ninety-two percent of the \$444 billion in the projected investment over the next decade will come from the private sector. Only 8 percent of the investment will be from the government."*

When asked by Daly and Singham (pp. 7)

*You were in the private sector for many years. To what extent do private-sector tools work in the public sector?*

Idris Jala's response was:

*One of the reasons I took this job was to see whether the techniques and tools that were used in transforming a company can be used in a country. I think all of it works. I'm absolutely sure now. The methodologies are the same. It's just a different slant for how you tackle it—the public versus customers. You've got to deal with customers in a corporation. Here you deal with the general public, but you treat them as customers. Because this program is about fundamentally changing the way we do things, so that there's a full, whole system*

*change in the economy and also the government".*

The Malaysian Budget 2012, which is also known as the "Transformation Budget", emphasized efforts to transform the nation into a developed and high-income economy with inclusive and sustainable development, spearheaded by the private sector. The Budget 2012's theme has been "Transformation towards a Developed and High-Income Nation" with a focus on the following four key strategies: reinvigorating private investment; intensifying human capital development; enhancing quality of life of Malaysians; and strengthening public service delivery. A new policy was embedded in the theme: "*National Transformation Policy: Welfare For The People, Well Being For The Nation*".

#### **LITERATURE REVIEW: COMPONENTS FOR AN ENHANCED CRITICAL MODEL**

In the past half decade, an increasing number of researchers have used critical theory in the fields of private and public management studies. Critical Theory is a broad approach to challenging and destabilizing established knowledge. In a more focused sense, Critical Theory comes out of the German "Frankfurt School" (where it was called Critical Theory of Society or Critical Social Theory), which emphasizes that all knowledge is historical and biased, and that "objective" knowledge is illusory. According to Horkheimer (1937), per Fuchs' (2008) book titled *Internet and Society: Social Theory in the Information Age*, critical theory would



constitute a whole that is not orientated on the preservation of contemporary society but in its transformation into the right kind of society. Its goal is the transformation of society into a “society without injustice” that is shaped by “reasonableness, and striving for peace, freedom, and happiness”; man’s actions no longer flow from a mechanism but from his own decision, and that is “a state of affairs in which there will be no exploitation or oppression”. Horkheimer argued that critical theory wants to enhance the realization of all human potentialities. Its goal is “man’s emancipation from slavery” and “the happiness of all individuals”. In the area of information systems (IS) and management research (McGrath, 2005) and public service (Wallace *et al.*, 2007), being critical is to develop in-depth knowledge-for-understanding at the local levels through interpretive, contextualist, hermeneutic and ethnographic approaches. It involves a critique of taken-for granted assumptions underpinning organizational, managerial and technological practices. Finally, it defines transformation by developing knowledge-for-action and practical understanding that enable technology-related organizational change, diversity, and re-constructing new ways of working and living.

The business and public administration schools in the USA and UK have just started to apply the theory to their management research. Books and articles on the application of critical theory are recent, for example, Fuchs’ (2008) *Internet and Society: Social Theory in the Information Age*; Kelemen and Rumens’ (2008) *An Introduction to Critical*

*Management Research*; Stahl’s (2008) *Information Systems Critical Perspectives*; Antonacopoulou, E. P. (2010); Arthur, W. B. (2011); Corradi, G, Gherardi, S., and Verzelloni, L., (2010); Ferlie, E., McGivern, G., and Moraes, A. D., (2010); Ford, J., Harding, N., and Learmonth, M. (2010) Gherardi, S., (2009); Miller and Dunn (2006); Miller and Tsang (2010), Mitev, N. N. (2006); Parker, M., and Thomas, R. (2011); Richardson, H., and Robinson, B. (2007); and Tatli, A. (2011). The general idea was that with the rapid development of technologies and the evolution to the knowledge and innovation economies, major changes have been occurring at the level of the individual, organization and society. In order to accommodate these changes in a positive way, in-depth insights into the existing situations and a critical outlook on the underlying assumptions could enable us to define the desired transformation. Being critical is a pre-requisite for the transformation of a developing country into a developed country with high-income capital. Indeed, in both the developed and developing countries, critical practice would provide the relevant policies and implementation methodologies to ensure transformation and “revolution” in the real sense, and not just a political tag.

Structuration theory is a general theory that aims to grasp the importance of the concept of action in the social sciences, without failing to highlight the structural components of social institutions. The approach was primarily developed by the sociologist, Anthony Giddens (1984), and

has become highly influential throughout the social sciences since the early 1990s. It seeks to reinstate the importance of the concepts of time and space in social and political analysis. Central to structuration is the notion of the duality of structure. All social action consists of practices, located in time-space, which are the skilful, knowledgeable accomplishments of human agents. However, this 'knowledgeability' is always 'bounded' by unacknowledged conditions and unintended consequences of action. The duality of structure therefore attempts to convey the idea that structure is both the medium and outcome of the practices that constitute social systems.

Structuration theory is the latest in a long line of attempts to grapple with one of the central problems in social analysis, the agency-structure dilemma. Phipps (2001) reviewed and classified fifty-three empirical applications of structuration theory in the social sciences and geography between 1982 and 2000. But the five dimensions he used, namely representable type of social behaviour, methodological bracketing, data, roles of time-space, and interpretation of duality of structure, captured only seven applications in the area of business and organizational studies. Its recent application to strategy was collected in Golsorkhi, Rouleau, Seidl and Vaara (2010).

Structuration theory, in its original formulation, paid little attention to technology (Orlikowski, 2000; Jones *et al.*, 2004). However, given the pervasiveness of technology in organizations' everyday operations, and especially the role of

information technology in the process of enactment and reality construction in contemporary organizations, various attempts have been made to extend Giddens' ideas by including an explicit ICT dimension in social analysis. Based on use of structuration theory as the primary or secondary theoretical foundation, Pozzebon (2004) and Pozzebon and Pinsonneault (2005) assessed the increasing application of structuration theory on management research, and noted that structuration theory has often been appropriated as a broad framework or to complement and augment other approaches. In the recent years, only several studies (for e.g., Brocklehurst, 2001; Nicholson & Sahay, 2001; Orlikowski, 2000; Stillman, 2006; Walsham, 2002; Young & Leonardi, 2012) used the structuration theory as the sole theoretical foundation in empirical inquiries. Stones (2005) further strengthened the conceptual orientations into a "strong" structuration theory. Jayatilaka, Klein and Lee (2007) attempted to categorize the IS research literature using the framework of Giddens' structuration theory; they saw its potential for bridging the philosophical divide between positivist and interpretive research approaches, and also saw that structural concepts can be linked to key concerns of critical social theories — such as Habermas' theory of communicative action, Boudieu's theory of social and cultural capital, and Foucault's insights on archaeology and genealogy of knowledge.

Actor Network Theory (ANT) originates from the sociology of science

and technology, and has been a popular theoretical framework in the 1990s. According to the latest study by Latour (2005), ANT does not distinguish between the macro and micro levels or multiple levels of analysis. It promotes a flat ontology where the macro-level is nothing more than a network expanded in time and space — that is, an ever-expanding chain of local actors (or actants), both human and non-human. The division between the social and the material is just a discursive construction. The social and the material are inseparable, and they mutually define one another. Humans form alliances with the material objects they have created (i.e., they become hybrids), so that they have the possibility of forming networks that transcend time and space. Actants are a product of network relations; one cannot think of an actant's power to act separately from the networks of which it is a part. The actants are constituted by the networks as much as they constitute it. The key concept of translation is described as a displacement or mediation of the interests of heterogeneous actors to create a network of allies and keep their various interests aligned. The network is not conceived as fixed, like a structure, but as a form of organizing. The project sustains the network through the enrolment of actors who, in aligning their interests, in turn solidify the network by enlarging it and inscribing it in material forms. This conception of the dynamics of change and innovation portrays organizations as actor-networks or action nets that are translated (continuously

redefined) through ongoing processes. Finally, the translation model conceives of organizations as self-organizing, and has parallels to complexity theory. The majority of studies using the ANT framework have focused on innovation processes, according to references in Demers (2007).

ANT offers promise because it explicitly theorizes about actors and the ways in which they are connected with and through their technologies. ANT theorists have given networks and technologies a central focus in their theorizing about social systems, while carefully pointing out the differences in stability. The networks that researchers observed were richly nuanced, multivalent, dynamic, indeterminate and contingent. Affiliations among networked individuals, groups and organizations entail the use of technology to varying degrees. However, ANT is not a cohesive framework; it is more an assemblage of concepts and models that are always under debate and revision, even from within. Actually studies that drew on ANT tended to borrow different concepts selectively and use them in different ways (Demers, 2007). Recent attempts to pinpoint the limitations of ANT included that of Klecun (2004), who stated that ANT focused on actors and their actions as they are performed and did not appear to be concerned to what extent they might be historically conditioned. Brooks, Atkinson and Wainwright (2008) noted that ANT cannot account for how these “humachine” networks persist over time and space other than at the behest of some “focal actor” who has to constantly driving them and in

translating more actions into the network until it becomes increasingly consolidated and undifferentiated.

As early as 2006, Atkinson and Brooks combined ANT and structuration theory into a hybrid model known as structurANTion, in which structured networks come into being and persist through time and space without the necessity of some focal actor doing them; the network constitutes itself autopoietically (self-organizing). Shah and Kesan (2007) also combined ANT and structuration theory into their model ITSI (IT and Societal Interactions).

The use of ANT and structuration theory by themselves has been categorized as a form of critical practice studies (per Brigham & Corbett 1997; Fox, 2000, as cited in Demers, 2007). Each is subjected to the usual limitations of employing, and thereby emotionally fixating, on a particular way of thinking and a particular way of seeing and perceiving the world; we generally tend to see what we want to see, and the empirical material largely confirms the theory. In 2007, we first analyzed a case study of government decision making on an international Internet portal in terms of ANT. Next, we elucidated the same case in terms of structuration theory. Subsequently, we re-elucidated the case in terms of a combination of ANT and structuration theory — similar to the StructurANTion model of Brooks, Atkinson and Wainwright (2008). By using the combination of ANT and structuration theory to critique the case (Kwong 2010), we were able to define the knowledge-for-action to bring about transformation.

Western scholars have increasingly utilized Complexity Theory (Jacucci, Hanseth, & Lyytinen, 2006; Wallace, Fertig, & Schneller, 2007). Meanwhile, various research centres have been set up in the USA and Western Europe to apply and further develop the theory, i.e., Santa Fe Institute, New England Complex Systems Institute, Northwestern Institute on Complex Systems, Complexity Complex at the University of Warwick, and Centre for the Study of Complex Systems at the University of Michigan. Complexity theory is an approach to understanding and modelling the realm of systems that have many interacting parts, i.e., systems too complex for deterministic mathematical solutions and too simple for averaging by statistics. Complexity examines systems holistically, and focuses on interdependence rather than independent behaviour of parts. The term ‘complexity’, as used in our critical practice model, refers mainly to the theories of complexity as applied to the Complex Adaptive Systems (CAS). These are dynamic systems — able to adapt and change within, or as part of, a changing environment, that is, open evolutionary systems in which the components are strongly interrelated, self-organizing and dynamic. CAS is characterized by a large number of elements that interact, and this interaction is dynamic so that the system changes with time. These interactions are rich, in that any element in the system influences and is influenced by several others. They are non-linear – small causes can have large impacts and vice versa; short range – information is received primarily

from immediate neighbours; and have loops in interaction – the effect of any activity can feedback onto itself, either directly or after a number of intervening stages.

Systems are usually open and they interact with their environment. In fact, it is difficult to define the borders of a complex system. Additionally, a CAS operates under conditions far from equilibrium. There has to be a constant flow of energy to maintain the organization of the system and to ensure its survival. Systems have a history as they evolve over time, but their past is co-responsible. CAS applies local knowledge only as each element in the system is ignorant of the behaviour of the system as a whole and as the focus shifts from the individual elements to the complex whole. We look at the complexity inherent in a socio-technical organization in terms of connectivity, edge of chaos, distance from equilibrium, dissipative structures, emergence and co-evolving landscapes. However, there are various descriptions of complexity theory, and there is no agreement about its terms and terminology. In the realm of the natural sciences, however, complexity theory has been hailed by leading scientists such as physics Nobel Prize winner Emeritus Professor Stephen Hawking of Cambridge University, who in January 2000 said, “I think the next century will be the century of complexity” (Sanders, 2003).

Applying complexity-based thinking to the national transformation process can help policy makers and decision makers to understand, assess and develop a more balanced and comprehensive approach for

the implementation of the transformation initiatives and to tackle the complexity of radical socio-economic-political transformation in the Malaysian real-world setting. To the best of our knowledge, we are not aware of any application of complexity theory in Malaysia. As long ago as 2005, we started using complexity theory and we are now incorporating it in our critical practice model (IFORS National Contribution Malaysia, 2005; APORS National Contribution Malaysia, 2006; Wahab & Kwong, 2009).

## FINDINGS AND THEORETICAL SYNTHESIS

From the interpretation of the case in *The Case: Transformation of Malaysia* section and the review of theories in *Literature Review: Components for an Enhanced Critical Model* section, we found that the theoretical underpinnings of the transformation model are simple and hinge mainly on the concept of “Doing and Being”. We synthesize the various theories that have been used in earlier Malaysian case studies and develop an enhanced model of critical practice.

### *Transformation Model is largely A-Theoretical*

The transformation programmes had rapidly kicked off in the last 2 years. “Transforming Malaysia” aims to build a new different world. But how different or familiar are the consequences to the extant situations and constitution of the Malaysian society? Perhaps, it is too early

to predict “transformation success”. Softly speaking, at this point in time, we are at the stage of “INCEPTION”, characterized by acts of birth, evolution, inspiration and illumination. A variety of viewpoints had been formed, reflecting the diversity of opinions of the different stakeholders in the country. The general perception, as reflected in the media, is that there are two principal groups with diverging views, namely the ruling political coalition versus the opposition coalition. To the ruling coalition, the transformation initiative is an awesome vision for bringing about a huge significant change to the country. To the opposition coalition, the transformation initiative is difficult to achieve, entails political posturing and presents a mirage of great change (Shazwan, 2012).

Conceptually, the national transformation programmes were designed by McKinsey, drawing from Dato’ Sri Idris Jala’s managerial and organizational transformation experiences at Shell Malaysia. Organizational transformation models were developed in the early 1990s, beginning with Michael Hammer’s business process re-engineering. A range of theoretical frameworks on organizational transformation abound in the literature (see Bock *et al.*, 2012; Burford *et al.*, 2011; Demers, 2007; Dixon *et al.*, 2010; Edwards, 2010; Hutton & Liefoghe, 2011; Jepperson & Meyer, 2011; Keen & Qureshi, 2006; Meaney & Pung, 2008; Pettigrew, 2012; Sugarman, 2007; Thompson & Rainey, 2007; Wooldridge, 2011), over the last two decades. The only core theoretical

basis has been the “Doing and Being” model; the transformation model has been depicted as a double-fish symbol or “Yin and Yang” approach to implementation success. The “Yin” or “Doing” refers to Entry Point Projects and the “Yang” or “Being” refers to the Strategic Reform Initiatives (Pemandu’s definition). Theoretically, both are essentially the duality of actions and institutions.

Malaysia surely could and would be the first country to develop a national transformation success model, as we have monitored, measured and reviewed the implementation of our National Transformation Policy over the next several years. One way to seeing the success of the transformation programmes is from the perspective of critical practice. Critical practice, aka critical *praxis*, refers to a methodology for understanding, evaluating and improving a programme beyond the usual concerns into its unintended side effects, causes and consequences. Critical Practice has been grounded in the concepts of critical theory vis-à-vis the conventional critical thinking approaches (Mulnix, 2010; Parker & Thomas, 2011; Pavlidis, 2010).

#### *Yin meets Yang in Critical Practice*

The evolution and development of the various theories described in *Literature Review: Components for an Enhanced Critical Model* section above enable us to design and formulate critical practice as consisting of 3 stages/steps/action steps/acts. This is depicted in Fig.4. Our model of Critical Practice is enhanced and enriched

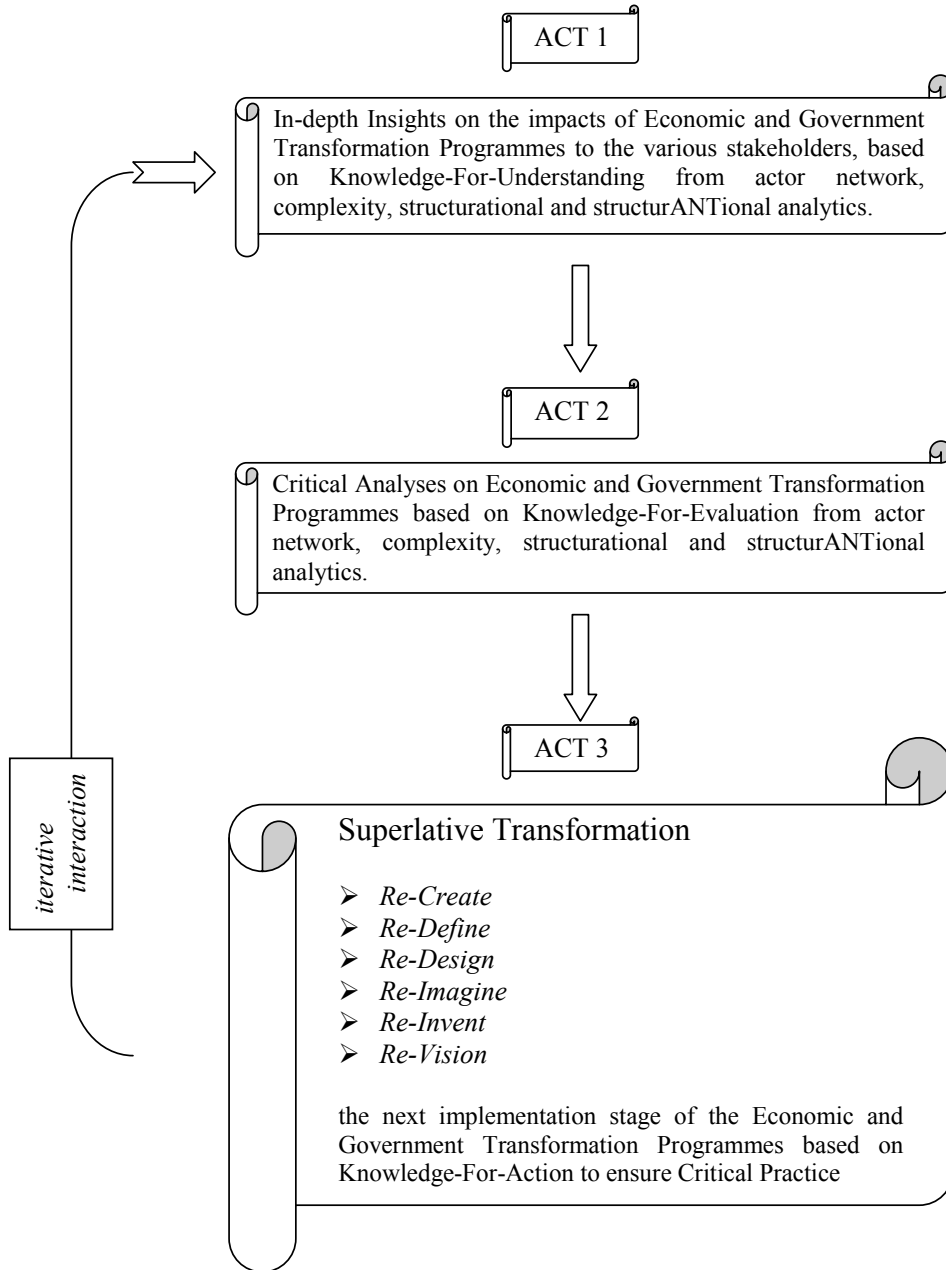


Fig.4: Critical Practice Model

by drawing on the increasingly influential stream of work in the areas of actor network theory, structuration theory and complexity theory as the underlying theoretical basis for management practice in economic development compared to the conventional models. Our previous use of these in research and consulting within the local context of government policies and projects enabled us to develop a more sophisticated way of seeing and doing. Stage 1 and Stage 2 (subsequently, the stages and actions to be labelled as “acts”) of critical practice would employ a combination of actor network, complexity and structuration theories. The Critical Practice Model is an iterative process, whereby Act 1, Act 2 and Act 3 interplay and interact among one another, or, as in the terminology of Pemandu, the “Doing and Being” or “Yin and Yang” are continuously interacting in order to produce and reproduce the impacts of the transformation programmes onto the various stakeholders.

### **CONCLUSIONS AND IMPLICATIONS: MAKING A WORLD OF DIFFERENCE WITH CRITICAL PRACTICE**

When Barack Obama successfully campaigned for the presidency of America in 2008, his slogan was simple, “Change we can believe in”. Nevertheless, “Transforming Malaysia” is more complex; it is a prerequisite to achieve the higher aim of being a developed country with high-income status. Hence, under the leadership of the Prime Minister Dato’ Sri Mohd Najib Tun Abdul

Razak, the country has embarked on a new approach consisting of the NEM with 8 strategic reform initiatives and the GTP, the ETP and the PTP, to realize Vision 2020 by its target date. “Transforming Malaysia” aims to create a new world via an “altered state” of the whole society from the levels of the individual, citizenry, organization, industry, government and nation. However, the national transformation initiative designed by McKinsey drew largely from the area of organizational transformation, and the core theoretical basis is the Doing and Being (Yin and Yang) model. Conventional management and strategic tools being taught in business schools were perceived by Pemandu as irrelevant to the country. The National Transformation Policy emerged from a patching and repackaging of the GTP from 2009, to ETP and the NEM in 2010, to the Transformation Budget in 2012 — all with the theme “*National Transformation Policy: Welfare For The People, Well Being For The Nation*”. Consequently, the extant transformation model is largely a-theoretical.

Hence, we have formulated a theoretical framework for critical practice to ensure that the transformation programmes will deliver the desired expected benefits and outcomes to the country. Action Step 1 or Act 1 ensures that in everyday practice, the “theories in use” are made explicit through a sophisticated model generated from a combination of theories on the human condition. Act 1 generates the knowledge-for-understanding. Action Step 2 or Act 2 permits us to review the progress, the



underlying assumptions and presumptions that are underpinning the transformation programmes at the project level. Act 2 generates the knowledge-for-evaluation. Both Acts provide a greater measure of reflexivity in decision-making by the various stakeholders. From this vantage point, we next generate the knowledge-for-action to re-create, re-define, re-design re-imagine, re-invent, re-think, and re-vision pragmatic, doable and implementable plans and actions.

In everyday practice, a range of implicit and explicit theories influence our thinking on particular topics and impact our decisions. Since more than 70 years ago, Chester Barnard's (1938) *The Functions of the Executive* and other prescriptive, conceptual, theoretical developments have had a direct and significant impact on practice because managers and practitioners subscribing to one of these theoretical positions organized resources to achieve corporate objectives according to the theories they espoused and used. However, as Ghoshal (Birkinshaw & Piramal, 2005) stated, "bad theories" are destroying good practices. In order to develop "good theories", that is, explicit theories or deep insights that can capture the complexity of real-world decisions, we must design a sophisticated model for critical practice. The enhanced critical practice model has been developed through a combination of actor network, complexity and structuration theories that capture the complex reality of the real world, and can be depicted as a sophisticated 'theory of everything'. Yin and Yang, nevertheless, is

also a 'theory of everything' as it has been used in all disciplines and fields in both the East and the West. Yin and Yang is a simple description of reality — from the perspective of simplicity.

Pemandu's transformation concepts of "Doing and Being" can now be expanded. Doing can now be redefined as an innovative way of project prioritization, problem-solving and delivering outcomes through the enactment of critical praxis. "Being" can be redefined as an innovative mindset and competences derived from learning about being critical (from the perspective of critical theory vis-à-vis conventional critical thinking and problem solving). At this stage, the enhanced critical practice model is a theoretical model using the jargon of the social sciences. In order to be a pragmatic methodology, Pemandu must use the terminology of everyday working language that can be readily understood by all stakeholders. In a world of complexity, highly effective decision makers, skilful strategists and creative innovators are those who develop a sophisticated knowledgeability of problem situations. This new breed of people and knowledge workers are not those with simplistic worldviews; they possess wisdom re-defined as knowledgeability of simplicity and sophistication {a.k.a "Advanced Simplicity and Sophistication" or the pseudonym "ASS", and hence Wisdom = ASS or "Wisdom@ASS" per APORS National Contribution Malaysia 2006, Han (2010), Kwong and Han (2011), Han (2012)}. The embodiment and use of ASS, that is, the

enhanced critical practice plus the “Doing and Being,” can enable us to inherit new worlds of knowledge, innovation and dream economies. Thus, we could and surely would bring about real superlative transformation to Malaysia.

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