

# Harvard Business School Alumni Club of Malaysia

## N·E·W·S·L·E·T·T·E·R·

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## MANAGER OF THE YEAR 1986

*Deputy Prime Minister, Encik Ghafar Baba, presenting the award to the winner of the 1986 Manager of the Year at a dinner in the Regent Hotel, Kuala Lumpur on 2 December 1986.*

### CITATION FOR DATO' ABDUL AZIZ BIN ABDUL RAHMAN

Dato' Abdul Aziz bin Abdul Rahman is the Managing Director and "Chief Executive Officer" of Malaysian Airline System. He also serves on the Boards of the Tourist Development Corporation, Malaysia; Malaysian Helicopter Services; Seri Pacific Corporation; Aerospace Industries Malaysia and Aircraft Overhaul Depot (AIROD), besides being the Chairman of Hotel Perdana in Kota Bharu, Kelantan.

Dato' Aziz has been the Vice President of the Orient Airlines Association and has just been elected President of the Association for 1987.

He is active in many areas of community service and would not hesitate to assist deserving people and organisations in whatever way he could. He is currently Chairman of Chartered Institute of Transport (Malaysia section), Vice-President of Malaysian Employers Federation, Chairman of Tourism Sub-Committee of the Malaysia France Economic and Trade Association, Advisor of International Association of Students in Economics & Management, and Council Member of the Red Crescent Society.

He is an active member of the Harvard Business School Alumni Club of Malaysia and was President in 1983.

Born in 1933 in Kota Bharu, Kelantan, Dato' Aziz received his early education in various Malay schools and eventually joined the Ismail English School in Kota Bharu. He later furthered his studies in Victoria School, Singapore and University of Malaya in Singapore. His tertiary education included reading Law at Lincoln's Inn, London.

A lawyer by profession he started his career as Administrative Officer in the Kelantan State Administrative Service for 7 years. His last appointment was Legal Officer

with the National Operations Council established by a Declaration of Emergency in May 1969.

When the governments of Malaysia and Singapore decided to split the airline MSA, he was seconded to the Malaysian new national airline in 1971 to be its Company Secretary and Legal Adviser. He assumed the position of Chief Executive Officer in 1982.

MAS is a unique organisation which requires special management leadership. The post of "Chief Executive Officer" of a company which, until recently, is wholly owned by the Government, is not an easy hat to wear, particularly when there are varied demands on the company's resources and capabilities to meet different and often opposing objectives. Whilst the airline is expected to be commercially viable, it is also required to satisfy certain social obligations and to support the Nation's trade and tourism efforts, and to contribute to national integration and aspirations.

From humble beginnings MAS has grown and gained stature as one of the best airlines in the region despite its competitors' definite advantage with bigger market bases and better infrastructural support. Its achievements and development in particular over the last 3 - 4 years have been spectacular. It has today a network which, despite great odds, has been extended to 25 international destinations including Los Angeles. The fleet now comprises wide-body aircraft like B747s. Its staff now number more than 11,000. The revenue achieved during its first year of operations was 61.3 million ringgit, and has steadily increased every year since and for the last financial year the revenue was a record of 1.3 billion ringgit.

MAS' privatisation and listing on the Kuala Lumpur Stock Exchange which represents the first government company to have embarked on the government privatisation programme was an overwhelming success. The recent placement of shares overseas was also very favourably received.



# **Glimpses of the 350th Harvard University Anniversary Celebrations (excerpts)** – by Dato Abdul Aziz bin Abdul Rahman

I was honoured and privileged to be invited by the Harvard University to represent the Harvard Business School Alumni Club of Malaysia and the Harvard Club of Malaysia, to attend the University's 350th Anniversary Celebration.

To do justice to the mammoth occasion. I think one needs to write a small book to describe everything about the Celebration. At the risk of disappointing the members of the Alumni Clubs of Malaysia, I have decided to put on paper only a brief summary of the activities. I hope this brief report will give some idea of the events and atmosphere of the historic gala Celebration.

The Harvard University's 350th Anniversary Celebration began on 3rd September and ended on 7th September 1986. There was a wide range of activities: prayers and thanksgiving, convocations, speeches, music, academic symposia and entertainment. The Harvard Business School had its own events. The festivities apparently cost about US\$1 million.

The festivities started off with a hilarious party attended by about 50,000 people on Charles River. This was a Birthday Celebration for the Harvard community and the University's neighbours and friends on both banks of the Charles River. There was a 600-foot illuminated rainbow, laser projection on a water screen.

The academic symposia were held in small arenas throughout the campus.

Prince Charles attended one symposium, entitled "The Future of the City" which was sponsored by the School of Design.

Seamus Heany and Michael Blumenthal read poetry. Saudi Arabia's Oil Minister H.E. Sheikh Ahmed Zaki Yamani, spoke of a need for stability in the world's oil markets when he spoke at a session at the John F. Kennedy School of Government.

At the Law School, legal scholars squared off to discuss "Contrasting Approaches to the Interpretation of the US Constitution".

In other symposiums, scientists contemplated "The Universe – The Beginning, Now and Henceforth".

In a 90-minute gallop through Earth's 4.5 billion-year history and its near-term prospects, several Harvard professors concluded that the human species was a monumental accident to begin with, and is now a threat to the planet's future.

There were three convocations. The major one was the Foundation Day where HRH Prince Charles addressed about 20,000 celebrants.

He left an indelible impression at Harvard by his outstanding speech. He called for renewed emphasis on moral education to prevent people from "slipping away" into an unprincipled world "dominated by sophisticated technology".

Among other things he said, "We should never lose sight ... that to avert disaster we have not only to teach men to make things, but produce people who have complete moral control over the things that they make".

During the Foundation Day ceremony, Harvard University also won praise and best wishes from its brethren.

Massachusetts Institute of Technology's president, Paul E. Grey said, "We pay homage today to one of this world's great treasures".

Yale University's new president, Benno C. Schmidt Jr., acknowledged the deeply rooted Harvard – Yale rivalry, but said, "Ours is a competition of kinship" and noted, "Harvard teaches the lesson that for a university to be great it must be irreverent, challenging".

The Harvard Business School presented six symposia led by members of the faculty. There was an outdoor dinner for Harvard Business School Alumni, friends and faculty held in a tent behind Kresge.

I had the opportunity of meeting many of the Harvard Business School professors at the dinner which was well attended by Alumni.

The 350th Year Celebration created a business boom, especially for the restaurant business at Harvard Square.

It was said that each day more than 3,500 people, many in crimson and white ties lunched on 500 pounds of roast turkey, 500 pounds of honey-glazed ham, 500 pounds of roast beef, 500 pounds of salmon aspic and 300 pounds of fresh spinach tossed with 70 pounds each of bacon bits and croutons.

They consumed each day about 5,000 rolls and washed it all down with 150 gallons of coffee and 50 gallons of fruit punch!

The Celebration brought smiles to the faces of the merchants in the area as their cash registers were humming all week.

It was estimated that the partygoers had left US\$10 million behind. Nearly all the 2,200 hotel rooms in Cambridge were booked.

The Celebration programme was not without unpleasant incidents. There were student demonstrators everywhere. Their main aim was to focus attention on apartheid issues.

The Celebration ended in an exciting and explosive grand finale. The Boston pops, fireworks, 700 dancers, mimes and musicians joined forces in the final night at the Harvard Stadium for a grand finale. It was really something spectacular in every respect.

Consistent with the tradition of Harvard, the whole Celebration ended on Sunday 7th September with thanksgiving services in Memorial Churches in Cambridge and Boston.

I carry with me fond memories of the words of wisdom uttered by distinguished speakers, the informative and educational discussions of the academic symposia, the cultural and entertainment programmes, the interactions among the Alumni and above all the glamour and splendour of the festivities.

I value most the goodwill and friendship generated among the celebrants and look forward to visiting Harvard again in the future.

*September 17, 1986*



# From HARVARD, MASS

## MBA Admissions Policies

The basic policy of the Admissions Board is to select those men and women whose combination of three equally weighted sets of attributes – intellectual capacity, demonstrated management potential, and personal characteristics – best fit them to prepare for careers in management.

Evaluation in the first area, intellectual capacity, is based on undergraduate grades and graduate work, if any. The Board is more interested in the quality of the work done than in the specific courses taken.

Secondly, the Board is interested in demonstrated management potential. A few applicants are able to provide sufficient evidence of their administrative skills through summer and part-time work experience and extracurricular activities while in college. However, the Board generally prefers some full-time work history. In fact, almost 98 percent of the students in recent entering classes have had two or more years of full-time work experience after college.

Finally, the Admissions Board looks for personal characteristics such as maturity, leadership, interpersonal skills, ethical standards, goal orientation, and motivation. Personal integrity and responsible decision making are of special interest.

## MBA 1985 Placement Report

During 1985, a total of 342

employers conducted more than 13,000 interviews on the Business School campus. An additional 441 organizations offered career opportunities through correspondence. A total of 686 graduating students were recruited through MBA Placement Services. The average graduate had fifteen interviews and received three offers of employment.

Most graduates did not accept their highest salary offer, but reported the most attractive job factors to be:

- 1) Wanted that industry
- 2) Job content/responsibility
- 3) Growth potential
- 4) Expand my experience
- 5) People/company culture
- 6) Previous work experience with company
- 7) Other

## Charles on the Charles

Mr Ronald Reagan may be the first American president to turn down a Harvard birthday invitation, but he is not the university's most eminent refusenik. Albert Einstein declined the 300th anniversary in 1936 because some Nazi-collaborating Germans had been invited. Mr Reagan's handlers kept him away because he had not been offered an honorary degree; after all, George Washington got one and he was not a Harvard man either (though his successor was, and five other presidents besides). Still, the absence of a presidential drawing card has done nothing to diminish one of the most formidable gatherings of American intellectual firepower ever—except, as John Kennedy used to say, when Thomas Jefferson dined alone.

The four-day fiesta which began on September 3rd is part Disneyland (a handshaking John Harvard marionette and a river-spanning inflatable rainbow), part Fourth of July (the signature of John Hancock, class of 1754, in fireworks) and part Cambridge pomp (mortarboards and gowns for the address by Prince Charles; business suits to hear the secretary of state, the governor of Massachusetts and Cambridge's own congressman, Mr Tip O'Neill). The 40,000 home-comers have been offered a selection of nostalgic entertainments (1960s folk-singers, film snippets of Harvard by Hollywood, student glee clubs, past and present). Harvard being what it is, last-minute tickets were available to the stadium pageant (\$12.50 for hard seats; \$350 a pair for tax-deductibles), directed by the same wonderful glitz merchant who gave us the Los Angeles Olympics and Liberty weekend. But the 100-plus free symposia (from "The Aids Epidemic" to "The Universe: The Beginning, Now and Henceforth") were fully booked.

Harvard needs no special showcase to demonstrate the erudition of its professors and its products. In the volcano of commemorative words spewing forth in recent weeks, most writers have felt compelled to touch on the arrogance and elitism of an institution 140 years older than the United States and richer than most members of the United Nations. But nobody can deny that age and wealth have brought rewards: the world's largest university library (11m

volumes); America's longest list of Nobel laureates (29), Pulitzer prizes (27), Rhodes scholars (more than 200), cabinet ministers, Supreme Court justices, corporate executives, and assorted poets and philosophers.

That Harvard takes itself seriously is both a criticism and a compliment. For the past 100 years, the university has periodically rethought its mission. Each time it has done so, other colleges have followed its lead. In the late nineteenth century, under the legendary President Eliot, this meant introducing elective courses for undergraduates, the case-study method in business and law, and the Harvard-Yale football game. Decades later, Harvard brought in a general education programme to provide undergraduates with a common grounding in western culture. It was not the first university to adopt this approach but, because Harvard did it, others did too.

The most recent Harvard variation on this theme is the core curriculum, which stresses modes of inquiry rather than areas of knowledge. President Derek Bok, now in his 15th year of presiding over Harvard's ten autonomous faculties, says that the boldest educational experiment currently under way is the New Pathways project at the medical school, which blends the usually separate disciplines of clinical medicine and basic science into every stage of the four-year training.

Harvard sets a standard for American education, but not the only one. Unlike Oxford and Cambridge, Harvard is first among near-equals (some of which are more than equal in some fields, though only Berkeley and Stanford are considered rivals across the board). It is this competition—for students, for faculty, for public and private money—that has enabled America's leading research universities to outdistance their European counterparts. Competition can be cruel: some 1,000 Harvard students a year seek psychological counselling. But it is a cruel, competitive society for which they are being educated.

Ivory tower is a misnomer, even for Harvard, which has always reflected as well as influenced the world around it. The school which started with a \$400 grant from the Massachusetts Bay Colo-



John Harvard and amanuenses

ny in 1636 (topped up in 1638 by 400 books and some \$500 from John Harvard) was a creation of Puritans, mainly to train ministers. When in 1708 the first non-clergyman was chosen as president, a distinguished Harvard family huffed off to New Haven to found Yale. As late as the mid-nineteenth century Harvard remained what President Bok calls "an advanced finishing school", with a student body 100% male, 99% white and 80% from Massachusetts. Even into the twentieth century it was as segregationist, anti-semitic and chauvinistic as the establishment it served.

Today Harvard's demography is still mostly male and mostly white, though Jews and Asians are over-represented and the university is working hard (though some would say not hard enough) to recruit black students and women professors. Thirty years ago Harvard pioneered aid-blind admissions, ensuring that any student worthy of acceptance would have his costs paid. Two-thirds of the present students are receiving some aid, which is one reason why, even though Harvard earns \$500 every 20 seconds from its \$3.5 billion endowment (managed by its own team of brokers), it never stops fundraising.

## Club News

The 10th AGM of the HBSACM held on November 28, 1986 at the U.N. Room, Regent Hotel, saw the election of the new Executive Committee 1986/87.

About 50 members and their spouses enjoyed the interesting dinner talk by Dato Mustafa Md. Ali and the sumptuous meal which followed.

*Executive Committee 1986/1987*

*President*

**Y.B. Prof.**

**Dato' Mohd. Noor bin Haji Ismail**

*Vice President*

**YB Gen. (R) Tan Sri Dato' Zain Hashim Abdullah Mat Zaid**

*Hon. Secretary*

**Haji Abu Bakar bin Sulaiman**

*Hon. Asst. Secretary*

**Chew Chee Kin**

*Hon. Treasurer*

**Chew Guat Leng**

*Director of Activities*

**Othman Yusoff**

*Committee Members*

**R. Sharifuddin Abidin**

**Idris Abdul Raof**

**Gnanalingam s/o**

**Gunanath Lingam**

**Mohd. Nadzir**

**Mahmud**



# From The President's Speech On Graduation Night..

It was a rare occasion for business education in Malaysia in this 4th Senior Management Development Programme, where a total of 69 talented business managers and executives from Malaysia, Singapore, Brunei and Thailand took part in the course. To quote Professor McFarlan, "We have here a pool of more than 1000 years of business experience."

A study conducted by MIM three years ago on the subject of management education in Malaysia, showed an acute shortage of qualified personnel in the management field and related disciplines. The HBSA Club has organised the SMDP for the forth time for the improvement of business management in Malaysia. This is our Alumni's contribution towards the development of management education in Malaysia and the SEA region.

In the past two weeks, more than 30 cases of big organisations were discussed which involved a spectrum of different businesses from a transport company such as SIA, to a financial institution such as Citibank. The cases contain real life day to day problems. From your indepth discussions, I am sure participants have the feel now and would be able to handle situations of similar magnitude.

This year, the programme has again introduced personal computers into the curriculum. We all know the vital role that information systems play in the management of business organisations today. With the widespread availability of affordable high powered desk top and personal computers, computerisation is the "in thing" for many departments of a company. The application of computers is not only confined to the accounting department alone but also extends to the planning, marketing and operations of the businesses.

We hope the programme has made the specialist such as the accountant and economist to become a generalist. And the generalist who is a manager become a specialist after learning particular skills in such fields as information systems and management psychology.

I am sure that the participants of the programme have been able to view management with a wider perspective and perhaps gain some ideas for the improvement of the company, which for all intents and purposes are the aims of the SMDP. It is also our hope that the knowledge and experience gained at the SMDP should be put to practical use when you return to your jobs.

We are grateful for the attendance of the professors who not only came here to teach but also wrote cases on some local companies. The professors indeed have provided a link of business experience between Malaysia and Harvard Business School. To date they have written cases on SIA, SIME DARBY, KEPPEL SHIPYARD, and a couple more new cases are in the offing. With the completion of more local business cases, I am sure the future SMDP and the students of Harvard Business School will benefit and will also result in more contacts both institutionally and culturally.

The organising committee and I would like to thank the professors from the Harvard Business School and all the participants of the SMDP. We hope you have enjoyed your stay here and will bring back fond memories of your two weeks stay at this beautiful Malacca Village Resort.

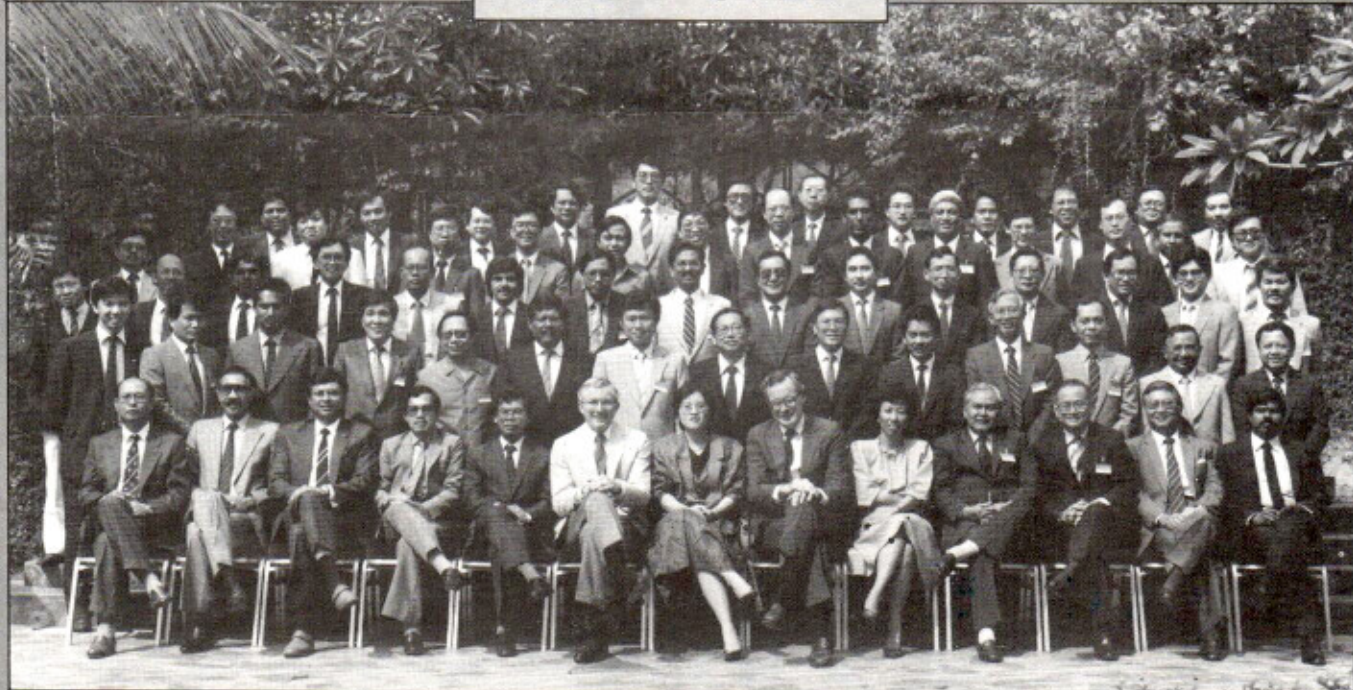
Finally, my sincere thanks to the committee members, who worked extremely hard to make this programme a success and to the management of Malacca Village Resort for their excellent facilities and services.



August 23, 1986

David C.C. Leong, PMD 42

## THE 4<sup>th</sup> SMDP





*The Krokodiles winning the hearts of the audience with their colourful and energetic performance.*



*The past Presidents of the HBSACM receiving a certificate of appreciation at the 10th Anniversary dinner of the Club.*



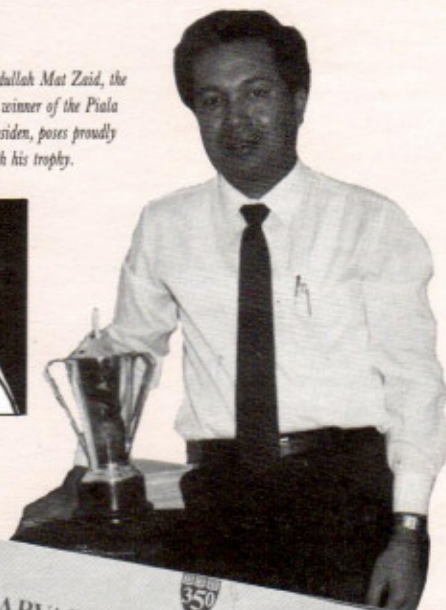
*Prof Jim Heskett meets the Chief Minister of Malacca at the 4th Senior Management Development Programme at the Malacca Village Resort, while Prof Warren McFarlan beside him awaits his turn.*



*Mr & Mrs David CC Leong with Dr Goh Cheng Teik enjoying The Krokodiles' performance at the dinner of the 350th Anniversary of Harvard University.*

*Former Club President, Dato Mustafa Md. Ali, reads the citation for Dato Abdul Aziz during the Manager of the Year 1986 award dinner. Seated from right is guest of honour, Encik Ghafar Baba, and Dato Prof Mohd Noor, President of the club 1986/87.*

*Abdullah Mat Zaid, the 1st winner of the Piala Presiden, poses proudly with his trophy.*



*Prof Sam Hayes exchanging a view with David CC Leong at the graduation dinner of the 4th SMDP.*



*Gen (R) Tan Sri Zain, Vice-President of the Club attends the Club officers' Roundtable conference at the Harvard Business School, Boston.*



*The guest of honour, Dr Tony Tan, Minister of Education (Singapore) delivering his speech at the 16th AGM of the Harvard Club of Singapore. Seated 2nd from right is David CC Leong, President of HBSACM, and Anthony Teo, President of the Harvard Club of Singapore.*

# HBSACM EVENTS



Profitability, which has not been seen as an important objective, had been respectable, except for the financial year ending March 1982. It was at this crucial point and under the most trying circumstances that Dato' Aziz took over the reins of management. The first step taken by Dato' Aziz took to turnaround the company was his practical, yet highly effective, two-pronged strategy – to control cost and to generate more revenue. The strategy paid off. Dato' Aziz was modestly quoted as saying: "There is nothing magical about putting the national airline into the black after the only loss in its history. All we had to do was tighten the screws on expenses and improve our standards." In that year MAS recorded earnings of 94.8 million ringgit, a dramatic turnaround from 1981/82 when it posted a 39 million ringgit loss. The results of the company since then speaks for the management tenacity of the man himself.

Dato' Aziz's forte is his way with people, whether the staff, the press, the customers or the public. A highly approachable man with tremendous listening skills, he has time for every one. He practises "open" man-management principles to instil confidence in his staff whilst motivating them to improve productivity. The staff's staunch loyalty and affection for the man reflects his genuine concern for their well-being and interests and a deep understanding of their problems and aspirations.

Dato' manages on the premise that his subordinates are intelligent and competent people and, therefore, has his trust and confidence. In return, the staff are motivated to give him their best to justify this trust and confidence placed on them.

Dato' Aziz is known for his integrity and his responsiveness to praises and criticisms alike. His openness stems from his belief that a company should have nothing to hide if it has public and national interests at heart. This philosophy is evident in his everyday dealings with the press and the public. Through his frank and direct approach with the press, he has earned their confidence and respect.

Dato' Aziz strongly believes that every staff is a PR person for the company and, more so, for a service organisation with a high profile like MAS. And he leads by example.

During his tenure of office, MAS has seen great improvements in its service standards through skills improvement programmes, automation and computerisation. As a firm believer in keeping ahead in modern technology, Dato' Aziz has been the moving force in the company's investment in modern facilities and computerisation programmes. With his foresight and commitment to this belief, MAS can today boast of having one of the most modern computerisation systems, modern facilities like the hangar and cargo complex to compete with the best in the region. The winning of contracts on aircraft maintenance from outside the country despite stiff competition from other organisations bear testimony to his vision and confidence in the company's and staff's capabilities.

The Harvard Business School Alumni Club of Malaysia have great pleasure in awarding its Third Manager of the Year Award for 1986 to Dato' Aziz bin Abdul Rahman, the Managing Director of Malaysian Airlines System for the outstanding performance in his organisation and his contribution to the management profession and the community.

December 1, 1986

Kuala Lumpur

**Wishing all members and friends  
A VERY HAPPY NEW YEAR!**

## **·C·A·L·E·N·D·A·R· OF EVENTS 1987**

The 1986/87 Executive Committee are working on the following activities for 1987. We will keep you informed in more detail separately.

- |                  |  |
|------------------|--|
| <b>February</b>  | – Members Get-Together Dinner  |
| <b>March</b>     | – YB Tan Sri Khoo Kay Peng<br>Research Project Presentation<br>entitled 'Financing for Development<br>– Direct Foreign Investment Vs.<br>External Debts' by ISIS |
| <b>April</b>     | – Best Business Studies Student Gold<br>Medal Award Presentation and<br>Dinner   |
| <b>May/June</b>  | – Golf Triangular with Harvard Clubs<br>Thailand and Singapore   |
| <b>July</b>      | – Dinner Talk  |
| <b>August</b>    | – Executive Seminar in conjunction<br>with HBS, Boston<br>– Club's Annual Golf Championship  |
| <b>September</b> | – Family visit to selected Institutions  |
| <b>October</b>   | – Manager of the Year Award<br>Presentation and Dinner   |
| <b>November</b>  | – Annual General Meeting   |

### ***Congratulations!***

*Dato Mustafa Md Ali  
MD, Malayan Tobacco Company  
&*

*Dato Abdul Aziz Abdul Rahman  
MD, Malaysian Airline System  
on their conferment of dato' ship*

### ***A word of special thanks***

*to Tan Sri Khoo Kay Peng, Manager of the  
Year 1985, for the kind sponsorship of this  
issue of the HBSACM Newsletter.*

### ***Newsletter Sub-Committee***

- |                 |                     |
|-----------------|---------------------|
| <b>Chairman</b> | – David CC Leong    |
| <b>Member</b>   | – Abdullah Mat Zaid |
| <b>Member</b>   | – Raja Sharifuddin  |
| <b>Member</b>   | – Idris Roaf        |
| <b>Writer</b>   | – Lora Ong          |