Transforming Public Service for Productivity

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Introduction

In the Eleventh Malaysia Plan, 2016-2020, emphasis is placed on transforming the public service in becoming more citizen-centric to enhance efficiency and productivity. During the review period, 2016-2017, the public service embarked on various measures to improve service delivery through digitalisation, reduce bureaucratic processes and initiate reviews of public sector institutions. At the same time, steps were undertaken to enhance talent and project management as well as strengthen the capabilities of local authorities for better productivity. Despite these efforts, the progress during the review period have not shown significant achievements, among others due to allegations of corruption, lack of transparency and accountability, inefficient resource management as well as limited capability and capacity of the public service. These issues and challenges have undermined the integrity and effectiveness of public institutions and service delivery, resulting in trust deficit among the public. Therefore, in the remaining Plan period, 2018-2020, the new Government led by Pakatan Harapan will implement more effective and bold measures to reform the public service towards greater transparency and accountability.

Past Performance, 2016-2017

In pursuit of a world-class public service, nine selected outcomes were identified encompassing efficiency, digitalisation and integrity as shown in *Exhibit 8-1*. These outcomes reflects the commitment of the public service to benchmark performance against regional and global peers as well as introduce creative and innovative approaches to enhance service delivery. Efforts to transform the public service to increase productivity were undertaken through five focus areas as follows:

FOCUS AREA A
Enhancing service delivery with citizens at the centre

FOCUS AREA B
Rationalising public sector institutions for greater productivity and performance

FOCUS AREA C
Strengthening talent management for the public service of the future

FOCUS AREA D
Enhancing project management for better and faster outcomes

FOCUS AREA E
Capitalising on local authorities for quality services at the local level

Efforts undertaken to improve the public service delivery were premised on the following principles:

Citizen-centricity
Initiating more co-creation activities through crowdsourcing and greater engagement with the citizens at all levels to provide better services

Productivity and efficiency
Conducting various reviews on public sector institutions to identify overlapping functions and redundancies to rationalise the public service as well as strengthening performance criteria

Digital government
Providing more online services via single sign-on and expanding these services to mobile platforms to increase usage and outreach as well as leveraging big data analytics (BDA) and open data

Rapid execution of projects
Institutionalising best-in-class planning, execution, monitoring and evaluation capabilities by ensuring the completion of projects within the stipulated time, quality and cost

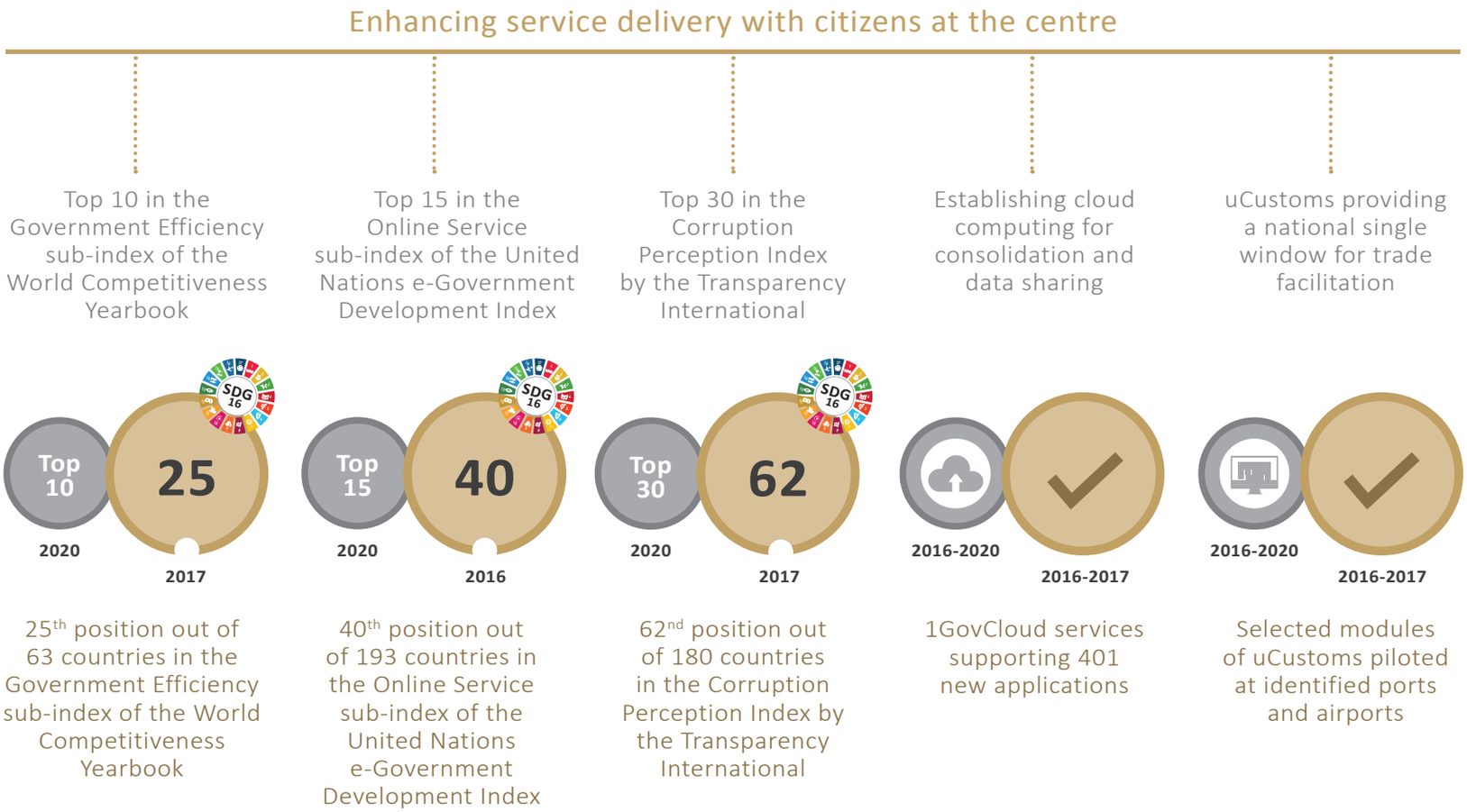
Integrity and transparency
Acculturating noble values among public servants by adopting positive values and attitudes

Performance of Selected Outcomes

During the review period, six selected outcomes were on track to achieve the targets while the remaining three that comprise international rankings lagged behind. The rankings comprise the Government Efficiency sub-index of the World Competitiveness Yearbook (WCY), Online Service sub-index (OSI) of the United Nations e-Government Development Index (UN EGDI) and Corruption Perception Index (CPI) by the Transparency International. Nevertheless, progress was made in the respective focus areas towards realising the targets set in 2020. The performance of the selected outcomes of the five focus areas is as shown in *Exhibit 8-1*.

Exhibit 8-1

Highlights
Eleventh Malaysia Plan: Selected Outcomes and Performance



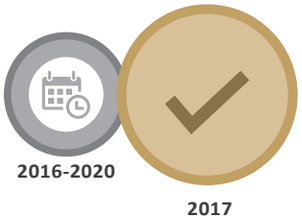
Rationalising public sector institutions for greater productivity and performance

Conducting a comprehensive audit across institutions and agencies

Rationalisation audit conducted on Malaysian missions abroad in education sector

Strengthening talent management for the public service of the future

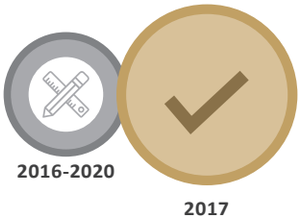
Providing flexible working arrangement schemes



Introduce flexi working hours through Service Circular 4/2017

Enhancing project management for better and faster outcomes

Establishing a public sector comparator (PSC)



PSC piloted in five ministries – MOE, MOH, MOT, KPKT and KKLW

Capitalising on local authorities for quality services at the local level

Embedding community expectations into local authority KPIs

Embedded community expectations as an indicator in the *Sistem Penarafan Bintang Pihak Berkuasa Tempatan* (SPB-PBT)

Original Target Performance

Malaysia's position in the three selected international rankings in relation to public service delivery has dropped during the review period. Based on the Government Efficiency sub-index of the WCY, Malaysia ranked 25 out of 63 countries in 2017 compared with 18 out of 61 countries in 2016. The drop in the WCY ranking is due to the underperformance in all five sub-factors, namely public finance, fiscal policy, business legislation, societal framework and institutional framework. Meanwhile, Malaysia's position in the UN EGDI OSI ranking also fell to 40 out of 193 countries in 2016 from 31 out of 191 countries in 2014, attributed to lack of citizen-centric services such as e-participation, open data and accessibility to online services. Malaysia's reputation was further affected by its worst-ever position in the CPI in 2017, which worsened to 62 out of 180 countries compared with 55 out of 176 countries in 2016. Among others, the drop was due to perceived failure to resolve major corruption scandals.

Performance of Focus Area

Under the five focus areas, several strategies and initiatives were implemented to support the deliverables of the selected outcomes. These efforts include enhancing citizen-centric service delivery, addressing overlapping structures, developing competent talent, ensuring better delivery of projects as well as improving services of local authorities. The highlights of key results by respective focus areas are as follows:

Focus Area	Key Result, 2016-2017
A **Enhancing Service Delivery with Citizens at the Centre**	**Improving delivery process** • 7 existing regulations reviewed on subsectors, namely air freight services, warehousing services, courier services, export of processed food product, retail trade, maintenance, repair and overhaul in oil and gas industry as well as nursing accreditation in higher education to promote good regulatory practices and reduce bureaucracy • 508 licensing authorities services consolidated into a single gateway through the MalaysiaBiz portal, benefitting more than 40,000 visitors to obtain information and services on business registration and licensing **Enhancing digitalisation** • 1,802 new sets of data published on the Public Sector Open Data portal, bringing the total to 2,510 data sets published facilitating innovative use of government data by stakeholders • 12 agencies participated in training and coaching programmes for big data analytics (BDA) and 6 data products successfully developed, enabling participating agencies to implement evidence-based planning and provided insights on targeted interventions through data sharing and optimisation

Focus Area	Key Result, 2016-2017
	• 130 new mobile application services available on Gallery of Malaysian Government Mobile Applications (GAMMA), adding the total mobile application services to 174, providing alternative options to access government services and expanding outreach • 376 locations of educational institutions covered by 1Gov*Net.EDU upgraded with higher bandwidth speed up to 100 Mbps, enabling secure and reliable connectivity • 401 new applications utilised 1GovCloud services at Public Sector Data Centres, such as 1Malaysia Training Centre (1MTC) portal, MAMPU portal and *Jabatan Kemajuan Islam Malaysia* e-Solat portal, adding the total applications on 1GovCloud to 1,800, enabling data sharing with secured access across government agencies **Expanding outreach** • 92% customers satisfied with the services provided by 1Malaysia One Call Centre (1MOCC), exceeding the key performance indicator of 80% • 11 new Urban Transformation Centres (UTCs) established, adding the total UTCs nationwide to 21, benefitting 57 million visitors • 4 new Rural Transformation Centres (RTCs) established in Bario and Betong (Sarawak), Rembau (Negeri Sembilan) and Seberang Perai Selatan (Pulau Pinang), adding the total RTCs nationwide to 12, benefitting 38 million visitors • 400 services organised under the Mobile Community Transformation Centres (Mobile CTCs), benefitting 2.6 million citizens

During the review period, in enhancing service delivery, progress was made in areas such as improving delivery process, enhancing digitalisation and expanding outreach. In this regard, government digitalisation agenda recorded the most progress through the enhancement of the Government Online Services Gateway as well as the establishment of big data and open data frameworks. Nevertheless, the adoption of BDA and open data initiatives were limited due to operational issues and insufficient resources. In addition, integration of services, especially on the front-end of delivery and consolidation of inter-agency back-end processes requires appropriate intervention in order to provide quick and quality services to the citizens. Meanwhile, the Malaysia User Satisfaction Evaluation (MUSE) 2017 recorded 82% satisfaction level, which indicated more areas for improvement for government online services. Despite the various efforts, many areas still need to be addressed including reducing public service role in non-core functions, tackling integrity, accountability and transparency as well as fixing leakages at all levels, besides improving productivity.

Focus Area	Key Result, 2016-2017
B **Rationalising Public Sector Institutions for Greater Productivity and Performance**	**Rightsizing public service** • 252 schemes of service rationalised to 240 through Service Circular 1/2016: *Rasionalisasi Skim Perkhidmatan bagi Perkhidmatan Awam Persekutuan di bawah Sistem Saraan Malaysia* to streamline schemes of service as well as improve mobility and career advancement for public servants • 488 low-performing public servants identified through the *Laporan Nilaian Prestasi Tahunan* (LNPT) underwent observation period assessment and 70 were terminated in order to achieve a high performing and dynamic public sector. Exit policy for public servants only covers termination of underperformers and exclude disciplinary cases

During the review period, efforts to rationalise public sector institutions in enhancing focus, flexibility and performance showed limited progress as it requires strong political will. Numerous studies were conducted on public sector rationalisation, but these studies were fragmented and as such less effective to be implemented. In addition, a comprehensive audit and review across the public sector to optimise structure, scale and operating model was not undertaken. This was due to certain constraints such as resistance from stakeholders, political support and timing issues.

Focus Area	Key Result, 2016-2017
C **Strengthening Talent Management for the Public Service of the Future**	**Upgrading talent management** • 178 public training institutions offer training programmes for serving officers. The National Institute of Public Administration (INTAN) conducted 1,621 courses, benefitting 50,479 public servants • Study leave with scholarship programme for the public servants from the support group to enhance career development by pursuing Technical and Vocational Education and Training (TVET), diploma or degree programme introduced and benefitted 550 personnel • Providing additional staggered working hours through Service Circular 4/2017: *Penambahbaikan Waktu Bekerja Berperingkat (WBB) di Agensi Kerajaan Persekutuan* in order to improve work-life balance while accommodating better time management

Focus Area	Key Result, 2016-2017
	• 6 officers consisting of 2 marine officers, 2 wildlife officers and 2 hydrology engineers recognised as subject matter experts through Service Circular 7/2016: *Kemajuan Kerjaya Laluan Pakar Bidang Khusus* (Subject Matter Expert – SME) *bagi Pegawai Perkhidmatan Awam Persekutuan* to attract, retain and develop experts within specialised fields in the public service. This programme enable better promotion opportunities for subject matter experts • 16 officers identified as fast track officers and promoted to higher grade through Service Circular 8/2016: *Kemajuan Kerjaya Laluan Secara Pantas* (Fast Track) *bagi Pegawai Perkhidmatan Awam Persekutuan*. This initiative, which identifies highly potential officers through a stringent assessment process to be promoted to higher grades, is part of the public service leadership development programme

Various initiatives were undertaken to strengthen talent management including talent pipeline, work motivations as well as capability and capacity building. However, initiatives pertaining to customised performance management and addressing talent pipeline in a holistic manner have yet to be undertaken. This is due to the generic competency framework currently adopted and issues related to alignment of key performance indicators at ministerial, department and individual levels. On the other hand, certain public training institutions continue to execute operational training plan, which is not tailored to the latest learning need analysis of the organisation and changing priorities of the Government.

Focus Area	Key Result, 2016-2017
D **Enhancing Project Management for Better and Faster Outcomes**	**Enhancing efficiency** • Public sector comparator developed as a cost comparison tool between public and private sector projects and piloted in 5 ministries to improve project evaluation and selection process • 145 projects totalling RM44.8 billion successfully completed value management labs resulting in 11.9% savings and value added for the respective projects exceeding the target of 10% • 150 pre-approved plans (PAP) comprising 24 categories of buildings introduced but only 29% of public building projects utilised the PAP

Focus Area	Key Result, 2016-2017
	Improving monitoring • Treasury Circular PK 4.4: *Penubuhan dan Tanggungjawab Jawatankuasa* Contract Coordination Panel introduced to administer contract issues and disputes comprehensively • 312 officers underwent training on Integrated Public Project Management Certification, of which 178 were certified and as such expanded project management talent pool in public service

A number of initiatives were undertaken to enhance efficiency and effectiveness of project management including continuous evaluation of the programmes and projects outcome. In addition, assessment of outcome was conducted on 1,808 projects based on the revised *Surat Pekeliling Am Bilangan 1 Tahun 2012: Garis Panduan Pengukuran Pencapaian Program/Projek Pembangunan melalui Penilaian Outcome*. The implementation of the revised guideline has resulted in an overall improvement of projects outcome from 76.2% in 2011 to 88.3% in 2017. Among the projects that have significantly exceeded target in 2017 include the National Cancer Institute in Putrajaya, Belantik Immigration Depot in Kedah and product development and commercialisation fund. Meanwhile, notwithstanding existing procurement procedures, numerous projects were awarded through direct negotiations and selective tenders leading to inflated cost and leakages.

Focus Area	Key Result, 2016-2017
E **Capitalising on Local Authorities for Quality Services at the Local Level**	**Empowering local authorities** • 97 out of 151, or 64% of local authorities achieved a minimum of 4-star out of 5-star rating based on the *Sistem Penarafan Bintang Pihak Berkuasa Tempatan* (SPB-PBT). Community expectations component was added into the SPB-PBT to increase public engagement at the local level, in addition to the original criteria, namely administration, core services and customer management **Strengthening service delivery** • 10 guidelines introduced to ensure common standards and practices which cover improvement of hygiene and cleanliness at business premises, setting up of childcare centres in stratified buildings and handling of hazardous chemicals

Focus Area	Key Result, 2016-2017
	968 crime hotspots in 45 local authorities installed with closed circuit monitoring system for crime prevention and safety enhancement Mobile counter services unit established in 55 local authorities offering services such as quit rent and assessment payments as well as permit and license renewals iKepoh mobile application services piloted in Iskandar Puteri City Council, Kota Kinabalu City Council, Labuan Corporation, Melaka Historic City Council, Putrajaya Corporation and Shah Alam City Council. Through the iKepoh, the public can lodge complaint instantaneously, which encouraged active community participation and faster response by local authorities

Several initiatives were implemented by local authorities to strengthen service delivery. More than half of the total local authorities have achieved a minimum of 4-star out of 5-star rating based on the *Sistem Penarafan Bintang Pihak Berkuasa Tempatan* (SPB-PBT). In addition, to improve quality of life within local areas, specific guidelines and measures for crime prevention were introduced. Furthermore, the introduction of mobile counter services to widen service coverage for better outreach to the community have increased the level of convenience and improved revenue collection. Meanwhile, the use of various communication channels such as town hall sessions, live streaming programmes and Radio JKT managed by the Local Government Department have expedited and expanded the outreach of local authorities services. Albeit these achievements, good practices and current policies need to be further aligned with the reform agenda to improve the accountability of local authorities and strengthen relevant legislation.

Issues and Challenges

The transformation of the public service was undertaken to improve governance, increase accountability, enhance service delivery and become a citizen-centric government. Nevertheless, the improvements were insufficient as there were many issues related to governance, transparency, integrity and accountability. Significant changes were required to restore the trust and confidence of the citizens. In facing the issues and challenges, strategies and efforts need to be fortified to ensure that the public service support the aspiration of the Government in meeting the needs and expectations of the *rakyat*.

Inaccurate and unreliable information with regard to **processes and procedures** provided by certain government agencies have resulted in confusion and erosion of confidence among the *rakyat*. In addition, the rising awareness among citizens has led to greater demand for access to information and higher expectations on quality services from the Government. Moreover, fragmented data arising from different sources complicate the efforts to acquire data from a single source. This has compromised cross-agency collaboration for better data integration and sharing to plan, execute and monitor strategies effectively.

Efforts to address overlapping roles and functions of **public sector institutions** lack support and was not comprehensive. New agencies and entities such as company limited by guarantee and state-owned enterprises were established adding to the financial burden of the Government. In addition, lack of priority and political will hampered efforts to conduct a thorough reform of public sector institutions.

Delivering effective public service requires strategic **talent management** and transforming the mindset of public servants to think, act and respond according to the changing technological and socioeconomic landscape. Ministries and agencies face difficulty in acquiring and retaining the right person for the job as talent management remains centralised. In addition, integrity issues remain a crucial concern and need to be further addressed at all levels in collaboration with stakeholders.

Previous decisions on **public procurement** related to political interference in awarding of contracts and selection of projects have adversely affected public trust and perception towards government integrity and accountability. In addition, issues such as delays, cost escalation, wastage as well as lack of capability and competency of the relevant parties involved continue to impede the efficiency of project implementation. Meanwhile, the rising Federal Government debt and liabilities that include contingent liabilities underscore the need for further fiscal reform to ensure sustainable financial management.

Lack of capability and capacity affected **local authorities'** ability to meet overwhelming demand. Local authorities are often faced with inadequate technical capacity in delivering quality and efficient services. The inability to overcome current issues and the lack of readiness to face future challenges such as changing demographic and rapid urbanisation remain a major impediment towards building robust local authorities. Meanwhile, over dependency on federal funds continue to undermine the financial autonomy of local authorities.

Conclusion

Various efforts undertaken during the review period have contributed to the improvement in public service delivery. These include accelerating digitalisation, rationalising public sector institutions, strengthening talent management, improving project management and capitalising on local authorities for quality service delivery. Nonetheless, the transformation journey was marred by lack of transparency as well as accountability and continues to face challenges from rising expectations of the *rakyat* as well as talent gaps. As such, efforts need to be intensified to reform the public service to be more ethical, trustworthy, effective and open amidst the changing technological and socioeconomic trends.