

CHAPTER 23

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Chapter 23

Administrative Improvements For Development

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ADMINISTRATIVE IMPROVEMENTS FOR DEVELOPMENT

I. INTRODUCTION

23.01 The public sector continued to enhance the efficiency and effectiveness of its administrative machinery during the Seventh Malaysia Plan period through improvements in terms of structure, systems, procedures, management integrity and work ethics. New measures were introduced and information and communications technology (ICT) was strategically utilized to upgrade quality management and further improve service delivery. The public sector also forged close links with the private sector through effective consultative mechanisms. All these initiatives served to support programmes for achieving the national socio-economic targets and objectives and has enabled the public sector to implement the National Economic Recovery Plan (NERP) in overcoming the economic crisis.

23.02 During the Eighth Plan period, programmes to improve service delivery and optimize resource utilization will continue to be upgraded, particularly through the extensive use of ICT. The public sector will review existing management structures, personnel policies and delivery systems to meet the requirements of a knowledge-based economy. Efforts to strengthen management integrity will also be stepped up to ensure greater accountability and transparency in the public sector. The public sector will continue to collaborate with both the private sector and non-governmental organizations (NGOs) to enhance the process of governance.

II. PROGRESS, 1996-2000

23.03 Various programmes were implemented by the public sector during the Seventh Plan period to improve service efficiency and effectiveness. These administrative reform programmes focused on improvements over a wide range

of areas including quality management, ICT development, accountability and management integrity as well as organizational development and human resource management.

Administrative Response to the Economic Crisis

23.04 The National Economic Action Council (NEAC) was established in 1998 in response to the economic crisis. It is a consultative body set up by the Government to deal with the economic crisis. One of its primary tasks was the preparation of the NERP, which represents a comprehensive framework for action to overcome the crisis. One major thrust of the NERP was to strengthen implementation of public sector policy, programmes and projects.

23.05 As part of the response to the economic crisis, particularly to ensure physical implementation of projects, the development budget expenditure was closely monitored. In this respect, various efforts were undertaken to improve the management and monitoring system of development projects. In addition, guidelines were issued to clarify and reinforce the roles and responsibilities of agencies involved in the implementation coordination machinery. At the same time, the Integrated Information System SETIA/SIAP (SMBSS) was enhanced to ensure the effectiveness of the development project monitoring system while payment processes were reviewed to expedite payments for implemented projects.

23.06 Various administrative measures were also undertaken to review systems and work processes in the delivery of public services that have a strong impact on economic growth. These measures, among others, enabled speedy issuance of permits and licenses, ensured faster payments for Government procurement of goods and services, expedited land administration matters, facilitated policy changes related to trade and investment as well as faster approval processes.

Quality Management

23.07 During the Plan period, efforts to institutionalize a quality culture in the public sector continued to be emphasized. The thrust of these efforts was embodied in Total Quality Management (TQM) as the standard model for quality management in the public sector. As a result, public sector agencies focused on the requirements of the client and worked towards continuous improvements in producing quality

outputs and services. The public sector continued to enhance the implementation of quality initiatives such as quality control circle (QCC), Client's Charter, improving counter services as well as adopted innovations to improve efficiency.

23.08 The QCC programme adopted a task-achieving approach to effect agency-wide improvements. In addition, technology and multimedia was utilized to introduce improvements in systems and processes. Similarly, the Client's Charter, a written commitment by public sector agencies to provide services and output according to quality standards, was reviewed. The review indicated the need for more effective monitoring of its implementation.

23.09 Counter services were improved during the Plan period with a focus on efficiency, speed, comfort and convenience in the provision of quality services to the customer. The one-stop Centre approach to information dissemination, payment and licensing services was also continued. Similarly, innovation targeted at improvements to work environment, management style, organizational structure, systems and work procedures as well as the adoption of suitable technology helped public sector agencies to reduce operational costs, effect time savings and enhance productivity.

23.10 The *MS ISO 9000*, an internationally recognized set of quality standards was implemented during the Plan period to further strengthen the administrative capability of the public sector to deliver quality services. By the end of the Plan period, 222 agencies had their core processes certified to one of the MS ISO 9000 quality assurance models.

23.11 Quality management in the public sector was also strengthened through the implementation of the *benchmarking programme*. Under this programme, agencies were encouraged to benchmark their practices against others and consequently upgrade their own performance. A structured procedure and methodology was provided to enable collaboration with a benchmarking partner in implementing best practices. As part of efforts to increase awareness and encourage agencies to strive for excellence through benchmarking, a national public sector seminar on benchmarking was held in 2000.

23.12 The system of *rewards and recognition* under the Prime Minister's Quality Award and the Public Service Quality Award continued to be an important strategy to reinforce the motivation for quality and excellence in the public sector. This recognition system highlighted the many TQM aspects displayed in critical areas such as leadership, innovation, strategic planning, customer satisfaction,

utilization of information and data, human resource utilization and assurance of quality output. During the Plan period, the Palm Oil Research Institute Malaysia (PORIM); *Hospital Tengku Ampuan Afzan*, Kuantan, Pahang; *Majlis Perbandaran Kuantan*, Pahang; *Universiti Teknologi Malaysia*; and *Dewan Bandaraya Kuching Utara*, Kuching, Sarawak were awarded the prestigious Prime Minister's Quality Award for the public sector category. To encourage agencies to utilize ICT, the public sector introduced the *Anugerah Perdana Teknologi Maklumat* in 1999. The award gave recognition to agencies that successfully adopted innovative ICT systems to enhance their operations and services.

23.13 The role and focus of the *inspectorate system* was reviewed as part of the strategy to improve the delivery of services by the public sector. Inspections were focused on activities related to revenue collection, promotion of investment and economic growth as well as provision of counter services. Inspections were also carried out on agencies with a high rate of public complaints and reports of malpractices.

Information and Communications Technology Development

23.14 A major focus of the administrative improvement agenda during the Plan period was the development of ICT in terms of implementing specific projects, developing infrastructure, procuring suitable systems and applications as well as promoting ICT-based information services. The Government IT and Internet Committee (GITIC) was established in 1998 to coordinate and monitor the development of ICT in the public sector. In addition, an action plan was drawn up to address the Year 2000 (Y2K) problem.

23.15 A major component of the ICT development programme was *Electronic Government* (EG), one of the seven flagship applications under the Multimedia Super Corridor (MSC). In this regard, five EG pilot projects were launched encompassing three categories of applications, namely intra-agency, inter-agency and Government to citizen/business service applications. The five pilot projects were Electronic Delivery of Driver and Vehicle Registration, Licensing and Summons Services, Utility Bill Payment and Ministry of Health On-line Information (E-Services); Electronic Procurement (EP); Generic Office Environment (GOE); Human Resource Management Information System (HRMIS); and Project Monitoring System (PMS). An additional pilot project, namely the Electronic Labour Exchange (ELX) was launched in response to the need to strengthen the mechanism for mobility in the labour market, particularly in the wake of the

economic crisis. To provide for a smooth interface between the EG projects with the Accountant General's legacy systems, the Electronic Government-Accountant General (EG-AG) Integration project was launched. The public sector also spearheaded the implementation of other MSC flagship applications such as smart school, telehealth and multipurpose smartcard.

23.16 The public sector also undertook the development of the necessary *ICT infrastructure* in order to realize the full benefits of ICT, particularly in supporting the EG initiative. The focus was on two main projects, namely the Government Integrated Telecommunications Network (GITN) and the development of ICT infrastructure at the new Federal Government Administrative Centre in Putrajaya. By the end of the Plan period, 18 agencies had subscribed to the GITN network services, which provided a dedicated and secured ICT infrastructure as well as various on-line services for the public. A virtual private network (VPN) known as EG*Net was developed to link all agencies involved in the implementation of the EG pilot projects as well as to networks outside the Government domain. Measures were also undertaken to coordinate all ICT requirements related to the migration of Government agencies to Putrajaya and enable greater efficiency in Government operations and service delivery.

23.17 In order to ensure planned and streamlined development of ICT systems and applications, guidelines were issued to agencies to draw up their respective *IT Strategic Plan (ISP)*, consistent with EG IT Policies and Standard (EGIT) as well as the relevant cyber laws. Systems integration between agencies was facilitated through a Government-wide Data Dictionary that prescribed a standard format and data definition.

23.18 The expanded use of ICT, the introduction of Intranet and Internet technology as well as the increased number of on-line transactions raised security concerns for agencies. In response to these concerns, the Malaysian Administrative Modernization and Management Planning Unit (MAMPU) was vested with the authority to oversee all aspects of ICT security in the public sector in 2000. In addition, the *Government ICT Security Policy* as well as standards and guidelines on ICT security were issued to enable agencies to upgrade their security status.

23.19 During the Plan period, a total of RM2.6 billion was allocated for the procurement of various ICT systems and applications. In addition, public sector agencies began leasing computers from the Malaysian Institute of Microelectronics System (MIMOS) since 1999. By the end of the Plan period, a total of 10,000 computers was leased by the Government.

23.20 At the state level, several state governments developed ICT infrastructure, systems and applications in response to their respective ICT needs. This included the creation of telecommunications infrastructure networks such as Penang-Net, Sarawak-Net and Johor Information Infrastructure. Several local government authorities also embarked on their own ICT projects such as the Ipoh Virtual City project by the Ipoh City Hall in Perak and the SJ2005 project by the Subang Jaya Municipal Council in Selangor.

23.21 In 1999, all agencies were directed to appoint Chief Information Officers (CIO) from the senior management level in order to ensure a more integrated and sustained approach to the implementation of the ICT agenda. In this regard, the First Public Sector CIO Conference was held in 2000 as part of efforts to equip CIOs in all agencies to perform their roles effectively.

23.22 Public sector agencies also adopted advanced technologies and applications in enhancing their performance. These included applications such as document imaging, electronic data interchange (EDI), geographic information system (GIS) and magnetic stripe/smart card. Agencies such as the National Registration Department, Road Transport Department, Registrar of Companies and Registrar of Businesses, among others, successfully integrated ICT systems and applications to upgrade the quality and extend the range of services.

23.23 The public sector adopted the *smart partnership* approach in the development of ICT applications to enable agencies to share and leverage on their development experience while avoiding duplication and wastage of resources. This approach benefited agencies in terms of cost savings in systems development, enhanced systems performance, sharing of data and resources, better coordination in ICT development and narrowed the gap of ICT usage and applications. A Smart Partnership Application Repository (RAPP) was established in 1999 whereby agencies could electronically access and obtain information about existing applications as well as store information about new applications. Several state governments were able to save time and costs in developing their ICT systems by utilizing information in the RAPP.

23.24 The public sector undertook comprehensive measures since 1997 in readiness for the *Y2K problem*. A total of RM396 million was allocated to federal and state agencies in preparing for the rollover to year 2000. The effective Y2K countermeasures and contingency plans enabled agencies to successfully extend their operations into the year 2000 with no major glitches. As a result of these efforts, the public sector was able to ensure that there were no disruptions in service delivery.

23.25 During the Plan period, the Civil Service Link (CSL), which was established in 1994, was upgraded and developed as an Internet information gateway known as the *Malaysian Civil Service Link* (MCSL). With the use of the Internet as its platform, information in the MCSL was freely accessible. In this regard, agencies were required to develop and link their web sites to the MCSL. Many major on-line databases were upgraded and hyper-linked to the MCSL for more comprehensive information access and to facilitate Internet-enabled service. In 1999, information access via the MCSL was further upgraded through its registration with several major Internet search engines.

23.26 To ensure smooth and effective development of agency web sites, guidelines on the design and implementation of web sites were issued. In addition, a competition was held to promote good web site design and practices which led to an increase in the number of public sector web sites.

23.27 Several *cyberlaws* were enacted during the Plan period, which had an impact on the activities of the public sector as well as transactions of citizens and the private sector with the Government. These included the Digital Signature Act 1997, the Computer Crime Act 1997, the Telemedicine Act 1997 and the Communications and Multimedia Act 1998.

Accountability and Management Integrity

23.28 The public sector continued to focus on efforts to upgrade accountability and management integrity through a clean, efficient and trustworthy administrative machinery. The functions and membership of the *Special Cabinet Committee on the Integrity of Government Management* (JKKMKPK), which was established in 1988 to enhance management integrity and promote high standards of ethical behaviour in the public sector, were expanded and streamlined during the Plan period. This was to consolidate its effectiveness as part of a planned and integrated approach to good governance. In this regard, the management integrity mechanism was also expanded to all levels of administration to channel and implement decisions of the JKKMKPK. Meanwhile, the committees at the agency level were entrusted with the responsibility to monitor and obtain feedback on various issues related to management integrity. In addition, three management integrity consultative task forces were established to focus on specific areas, namely policy, laws, regulations, systems and procedures; values and ethics; as well as internal controls, punitive and remedial action.

23.29 Various measures were adopted arising from the deliberations of the JKKMKPK. These included streamlining the reporting format for corrective action by agencies cited in the Auditor-General's report; implementing a transparent and computerized registration system for low-cost housing; and expanding the use of payment through electronic fund transfer. At the same time, efforts were also undertaken to inculcate positive values among public sector personnel to support and enhance the effectiveness of integrity management programmes.

23.30 The public sector continued to focus on efforts to strengthen efficient planning, utilization and control of public financial resources and assets. Strategies to enhance *financial management* centred on three core areas, namely general finance, budget and procurement. In upgrading the Government procurement system, the focus was on the implementation of the EP pilot project under EG. This project was aimed at ensuring best value for goods and services procured while enhancing the efficiency of all transactions related to the performance process. At the same time, existing programmes such as the Modified Budgeting System (MBS) and the Micro-Accounting System were reviewed and strengthened. The Standard Accounting System for Government Agencies (SAGA) was also reviewed to allow agencies to maintain and up-date their accounts, thus facilitating the preparation of timely pre-audit financial reports. In providing agencies with more options for computerized accounting, an alternative accounting package known as Century Financials was introduced in 1998.

23.31 Measures were also undertaken to streamline and enhance the management of assets and stores in line with technological advances. Aspects such as store infrastructure, systems and work procedures, training in store management as well as asset maintenance were emphasized. In 1999, a new approach to integrate the system of asset and store management was introduced together with the concept of regionalized and operational stores. In recognition of the importance of financial management, the public sector introduced incentive payments for specific categories of officers responsible for financial, asset and store management duties.

23.32 The *public complaints management system* continued to be strengthened to upgrade the quality of services and level of responsiveness in the public sector. The Permanent Committee on Public Complaints reviewed problem areas arising from public complaints and made recommendations to rectify weaknesses and overcome related administrative obstacles. A major strategy during the Plan period was to publicize to the public the role, functions and services provided by the Public Complaints Bureau. This was undertaken through collaborative

efforts with the mass media, particularly with *Radio Televisyen Malaysia* (RTM). In addition, fact sheets and information about the Bureau were distributed to district offices, local authorities, post offices and offices of the *Penghulu*.

23.33 The public complaints mobile counter programme continued to receive good response from the public and provided an effective and fast channel to lodge public complaints. In line with the expanded use of ICT in the public sector, the Bureau introduced the computerized public complaints management system in 2000. This computerized network system allowed the public to lodge complaints via the Bureau's web site as well as monitor the status of their complaints. The Bureau also made efforts to upgrade its performance and capacity by keeping track of best practices in the redressal of complaints by fostering ties with ombudsman in other countries and participating in ombudsman conferences at the Asia-Pacific level.

Strengthening Organizational Structure and Human Resource Management

23.34 The public sector continued its efforts to streamline organizational structures in order to rightsize the public service as well as facilitate efficient utilization of human resources. In this regard, core businesses, functions and activities of relevant agencies were reviewed as part of the restructuring exercise. In addition, programmes such as privatization, office automation, ICT expansion, business process re-engineering, multi-tasking and multi-skilling were implemented.

23.35 The creation of new posts was also closely controlled. However, to meet the increased demand for services in areas such as education, health and ICT, the number of posts in the public sector, excluding the armed forces and the police, increased at an average annual rate of 1.9 per cent from 832,050 in 1995 to 911,600 in 2000. This represented an increase of 9.6 per cent or 79,550 posts, as shown in *Table 23-1*.

23.36 The public sector implemented various *training* programmes to enhance the productivity, efficiency and motivation of public sector employees. The National Institute of Public Administration (INTAN) conducted training programmes in areas such as quality, financial and economic management; executive development; and communications and language programmes. ICT awareness programmes were also carried out in preparing employees for the shift to the electronic work environment. In addition, authorized training centres were also appointed to undertake these ICT training programmes. During the Plan period, INTAN introduced

TABLE 23-1

**NUMBER OF POSTS IN PUBLIC SECTOR AGENCIES
BY TYPE OF SERVICE, 1995 AND 2000**

<i>Type of Service</i>	<i>1995</i>	<i>2000</i>
Federal Service ¹	552,848	649,390
Federal Statutory Bodies ²	99,060	89,315
State Service	97,905	107,700
State Statutory Bodies	23,195	22,630
Local Authorities	59,042	42,565
Total	832,050	911,600

Notes:

¹ Excludes the Armed Forces and the Police

² Excludes five agencies with separate remuneration schemes

several certificate and diploma level courses and collaborated with local universities such as *Universiti Teknologi Malaysia* and *Universiti Utara Malaysia* to offer masters level courses in IT management science and management science, respectively. INTAN organized a total of 5,040 courses involving 182,870 public sector personnel during the Plan period, as shown in *Table 23-2*. In expanding training opportunities, INTAN established a new training campus in Sarawak in 1999.

23.37 During the Plan period, the Government sponsored a total of 9,170 officers for local and overseas training courses. Of this, 6,850 officers pursued certificate, diploma, degree, masters and doctorate level courses while the remaining 2,320 underwent training courses under the Look East policy. In addition, other public sector training institutes such as the Judicial and Legal Training Institute (ILKAP), Institute of Diplomacy and Foreign Relations (IDFR) and the Aminuddin Baki Institute also conducted in-service training programmes for personnel in their respective fields.

TABLE 23-2 NUMBER OF TRAINING COURSES CONDUCTED BY INTAN, 1996-2000		
<i>Year</i>	<i>Number of Courses</i>	<i>Number of Participants</i>
1996	1,008	41,725
1997	1,022	35,975
1998	885	30,213
1999	1,026	37,472
2000	1,102	37,489
Total	5,043	182,874

23.38 The Public Service Department implemented the Human Resource Management Information System (HRMIS) pilot project to facilitate all aspects of planning, management and development of human resource. At the same time, a study was initiated to ascertain the human resource requirements for the implementation of EG in the public sector.

23.39 Steps were taken to ensure harmonious industrial relations in the public sector. This was achieved through consultative channels such as the National Joint Council and the Departmental Joint Council where various concerns raised by employees were dealt with amicably.

23.40 Efforts were also taken to ensure a high level of *discipline* and proper conduct within the public sector. In this regard, the relevant disciplinary regulations such as the Public Officers (Discipline and Conduct) Regulations 1993 were streamlined to meet current requirements. The Statutory Authorities (Discipline and Surcharge) Act 2000 that provides uniform disciplinary provisions for statutory authorities was enacted by Parliament.

23.41 During the Plan period, various training programmes were carried out to enhance awareness and build expertise in the area of discipline management. At the same time, new approaches including counseling services were introduced to manage personnel, stress, change, conflict and interpersonal relationships.

Implementation of the Malaysia Incorporated Policy

23.42 Public-private sector collaboration continued to be a significant factor for economic growth and national development. Adequate mechanisms were provided for collaboration through consultative panels and dialogue sessions at all levels of administration.

23.43 As the highest official level consultative committee, the Malaysia Incorporated Officials Committee continued to be an effective forum for public-private sector collaboration. Consultative committees and dialogue sessions at the federal, state, district and local authority levels helped to facilitate the private sector in dealing with public sector agencies. In addition to obtaining useful feedback in a timely manner, these sessions enabled the Government to explain and correct misconceptions about policies, procedures, regulations or specific action plans. This two-way communication process was mutually beneficial and contributed directly to the national development agenda.

23.44 Public-private sector collaboration was further enhanced through fora such as the NEAC and the Second National Economic Consultative Council (NECC II). Public and private sector cooperation through the NEAC enabled the formulation of the NERP as an effective strategic plan to overcome the negative effects of the economic crisis. The NECC II, which was represented by members from various political parties, private sector and NGOs as well as prominent individuals, was an important forum to deliberate on development issues and make recommendations to the Government. Throughout its one-year tenure, the NECC II was able to discuss various issues in a free and cordial atmosphere reflecting the true spirit of multi-racial cooperation existing in the country. The Government also stood by its commitment in upholding the principle of people's participation, by not intervening in the decision-making process of the NECC II. Through its consultative and consensus-building process, the NECC II proposed various measures in terms of policy and programmes to further enhance the formulation of long-term policies of the Government. The Government took into account their recommendations in charting the nation's development policy for the next ten years, particularly through the National Vision Policy.

23.45 Both the public and private sectors continued to cooperate in identifying and recognizing excellence in performance. In this regard, the Prime Minister's Quality Award was given in recognition of excellence and quality management by private sector organizations. Similarly, the private sector recognized excellent

performance by public sector agencies through the *Anugerah Cekap*. The Public-Private Sector Joint Research Award programme continued to encourage public-private sector collaboration in R&D with a focus on research with commercial potential.

III. PROSPECTS, 2001-2005

23.46 The public sector will continue to strengthen and upgrade its administrative machinery during the Eighth Plan period to provide quality services that fulfill the expectations of clients. Consolidation and realignment of the administrative improvement programmes will be undertaken to meet changes in the administrative environment as well as support the ICT-based initiatives being implemented in the public sector. Efforts to improve accountability, management integrity and human resource management will be actively pursued while public-private sector collaboration will be further strengthened.

Policy Thrusts

23.47 The focus of the administrative improvement programmes will be on service excellence in meeting the increasing expectations and demands of clients in a knowledge-based economy. In this regard, the policy thrusts will be as follows:

- ❑ *reinforcing quality management programmes under Total Quality Management (TQM);*
- ❑ *ensuring the successful implementation of Electronic Government (EG);*
- ❑ *developing the ICT infrastructure for efficient flow of electronic communications and information and high quality network services;*
- ❑ *ensuring strategic ICT planning through the preparation of comprehensive IT strategic plans by all public sector agencies and optimizing the use of ICT through sharing of resources across agencies;*
- ❑ *adopting a more responsive work culture;*
- ❑ *upgrading information dissemination through the Malaysian Civil Service Link (MCSL) and development of agency web sites;*
- ❑ *improving the various aspects of management integrity in the public sector;*

- *strengthening organizational development and human resource management; and*
- *forging strong collaborative links with the private sector and non-governmental organizations.*

Reinforcing Quality Management

23.48 The quality management programme with its in-built focus on the requirements of the clients will continue to be a major component of administrative improvement programmes in ensuring a service-oriented public sector. The overall elements of TQM will provide the basis for the implementation of quality initiatives and for recognition under the Prime Minister's Quality Award programme.

23.49 The process-based task-achieving approach under the QCC programme will be utilized more effectively to enable agencies to improve their performance. Similarly, innovations that facilitate improvements to systems and work procedures will continue to be encouraged. Efforts will be undertaken to disseminate information regarding these innovations so that agencies can learn, replicate or make improvements before adopting them in their respective organizations.

23.50 Based on the findings of the impact study on the implementation of the Client's Charter, steps will be taken to monitor closely the implementation of agency client's charters, especially agencies that deal regularly with the public and the private sector. New strategies will be developed to ensure that agencies formulate their charters to meet the requirements of their clients and that they review their pledges from time to time according to current needs and in line with new technologies.

23.51 The emphasis on quality counter services will remain an important focus of service excellence in public sector agencies. Office automation, ICT systems, staff training, effective supervision and customer feedback will be utilized in an integrated manner to further upgrade the quality of counter services.

23.52 The implementation of the MS ISO 9000 quality management system will be intensified during the Plan period. Agencies will be encouraged to expand its scope of implementation to include more core processes. The MS ISO 9000 quality elements will be used to address the requirements of existing administrative improvement programmes such as telephone services, management of meetings, manual of work procedures and desk files.

23.53 The benchmarking programme will be implemented more comprehensively so that agencies can benefit from the adoption of best practices, thus enhancing service delivery as well as improving internal operations. Agencies will be encouraged to apply the structured methodology provided in the benchmarking implementation guidelines in adopting best practices by collaborating with suitable reference partners.

23.54 More pro-active inspectorate visits to agencies that have been identified according to the new criteria for inspection will be carried out. These inspections will provide agencies with specific recommendations to improve and strengthen their respective customer-focused work processes and management systems. This will also enhance the responsiveness of the public sector to grievances and problem areas that are raised by the public and the private sector as well as other interest groups.

Electronic Government

23.55 The implementation of the EG programme will be pursued actively during the Plan period to move towards a knowledge-based work culture. New technologies will be introduced in areas such as workflow management, security network, document management and systems management. In order to ensure that these will be successfully implemented, more effective measures in terms of change management, training and transfer of technology will be introduced.

23.56 The roll-out of the EG pilot projects to all agencies at the Federal, State and local government levels is expected to begin in 2001. In order to ensure a successful roll-out, efforts will be taken to address issues related to integration requirements across projects, legacy systems, improving and consolidating network communications across agencies as well as putting in place the necessary ICT security framework and infrastructure.

23.57 The use of ICT resources will also be optimized through the consolidation of infrastructure and services that can be shared across agencies through the Shared Services Outfit (SSO) located at Putrajaya. In this regard, action will be undertaken to establish support facilities and services such as common data centres, disaster recovery centres, help desk and network/enterprise command centres. The SSO will also become the focal point in standardizing aspects such as hardware and software platforms, common applications and support procedures.

23.58 The public sector will expand the scope of the EG pilot projects, particularly those involving the Government to citizen and private sector interface. The scope of the E-Services pilot in particular will be expanded to include a wider array of services that will transform it into a Government portal for providing more comprehensive and high quality services to clients. This development will in turn impact positively upon the growth and expansion of e-commerce as a core component of the knowledge-based economy.

23.59 The public sector will also be planning for the second wave of the implementation of EG. In this regard, the MSC Second Wave Task Force will focus on potential EG projects that promote the development of e-commerce and transactions between citizens and Government. In carrying out these projects, emphasis will be given to smart partnerships between the Federal and State Governments as well as with the private sector.

23.60 The PMS pilot project will be fully implemented in 2001 to provide a systematic and effective approach to monitoring development projects. PMS will be utilized to ensure that current and detailed information of every project will be maintained. At the same time, the public sector will be able to carry out strategic planning and expedite decision making as a result of the capability of PMS to carry out simulation, forecasting and socio-economic impact analysis. Similarly, efforts will be undertaken to ensure that the E-Procurement pilot project under EG will be carried out smoothly in order that the roll-out to all Government agencies will be successfully implemented.

Developing ICT Infrastructure

23.61 During the Plan period, ICT infrastructure will be further developed to ensure more efficient flow of electronic communications and information as well as high quality network services. The GITN ICT technology infrastructure will be extended to cover more subscriber agencies to enable them to leverage on the efficient electronic flow of communications and information. At the same time, with the implementation of EG*Net, agencies will enjoy network services through the installation of high-speed leased lines with a bandwidth of 2 megabits per second (Mbps), Internet and inter-network gateway access. EG*Net is projected to connect about 4,000 Government agency sites with a guaranteed service level of 99.3 per cent network availability.

23.62 The Putrajaya Campus Network, which offers extensive support for voice, data and video services is designed and developed to provide an extensive information network to all Government agencies in the Government precinct within Putrajaya. The network will be expanded to cover the entire Federal Government Administrative Centre. In addition, the introduction of the Synchronous Digital Hierarchy (SDH), a new broadband campus telecommunications network architecture will enable higher levels of service availability and enhance network performance.

23.63 The implementation of the Government ICT Security Policy will enable agencies to safeguard electronic-based Government information and assets to ensure the secrecy, integrity, validity as well as the availability of information for approved users. In this regard, the Malaysian Government ICT Security (MyMIS) Handbook will be issued to provide comprehensive guidelines to agencies on the necessary ICT security measures in respect of the relevant ICT components. Agencies will also be required to appoint an Information Security Officer to co-ordinate ICT security. Training and awareness programmes for these officers will be conducted to ensure that they are able to carry out their responsibilities effectively.

23.64 The public sector will also undertake the network security auditing (NSA) programme to test the robustness of ICT infrastructure against breaches of security. Recognizing that ICT security systems can be penetrated, the public sector will also establish an Incident Response Handling (IRH) Unit, which will provide assistance in the event of ICT security incidents. In this regard, a mechanism for reporting security incidents in the public sector will be established and guidelines on the business resumption plan will be prepared. These efforts will ensure the availability and reliability of services and outputs of the public sector.

IT Strategic Planning and Resource Sharing

23.65 All public sector agencies will prepare comprehensive IT Strategic Plans (ISP) so that the public sector ICT agenda and the implementation of EG will be undertaken in a coordinated and effective manner. The adoption of ISPs will ensure that ICT systems and applications will meet the requirements of integration and connectivity in a knowledge-based public sector.

23.66 Efforts will be undertaken to ensure that strategic collaboration as well

as sharing of experience and expertise in developing ICT systems and applications will be further enhanced. The scope of partnerships will be expanded to include collaboration between agencies as well as with the private sector. Agencies will be encouraged to better utilize the Smart Partnership Application Repository (RAPP) system to store and disseminate information on systems and applications that have been developed for the benefit of all public sector agencies.

Adopting a More Responsive Work Culture

23.67 As part of the effort to accelerate the implementation of projects and improve the service delivery of the public sector, a more responsive work culture will be inculcated. This will include hands-on management, revision of rules, regulations, work processes and procedures, as well as increasing the level of professionalism. With these changes, the Government will be able to simplify and expedite the approval and payment processes and be more effective in providing a conducive environment for the private sector to operate. The extensive use of ICT will further facilitate this effort.

Malaysian Civil Service Link and Information Dissemination

23.68 Measures will be undertaken to upgrade the MCSL web site by introducing new features to attract more visitors to the web site. More links will be established to facilitate access to information and on-line services of agencies. At the same time, the development of Government web sites will be closely monitored to ensure that they provide quality information and interactive capability. In this regard, agencies that lack the capacity to develop their own web sites will be provided with consultancy support. Steps will be taken to upgrade public sector web site capabilities to match the needs and expectations of clients. Advanced training, R&D and resource sharing of related web site development and services will be provided through outsourcing.

Continuous Improvements in Management Integrity

23.69 Current efforts to improve management integrity will continue to be implemented through the Special Cabinet Committee on the Integrity of Government Management (JKKMKPK). In addition, the management integrity mechanism will be effectively mobilized to gather feedback and make recommendations in

order to strengthen management integrity. In this regard, emphasis will be given to the development and inculcation of positive values such as honesty, integrity, trustworthiness and good work ethics.

23.70 The public sector will continue to ensure that the computerized public complaints management system of managing public complaints is effective and responsive to the complainant. In this respect, the electronic complaints management system will be further strengthened. The public complaints management process will be extended to include direct linkages with selected agencies so that the monitoring and resolution of complaints relating to the relevant agency will be expedited.

23.71 Financial management will continue to be emphasized during the Plan period. Measures will be undertaken to consolidate financial management programmes. The effectiveness of the MBS will continue to be reviewed while programme evaluation under MBS will be strengthened. In addition, guidelines regarding the evaluation of outputs and impact will be issued while performance audits will be undertaken. In this regard, training of trainers for programme evaluation will be conducted. The implementation of the Micro-Accounting System will be further enhanced by increasing the number of Responsibility Centres from 860 to more than 2,000 centres. The implementation of the SAGA and the Century Financials package will be closely monitored and reviewed to further improve financial reporting by agencies. The public sector will also study the reasons for the shortfall in development expenditure and take steps to overcome the problem.

23.72 In an effort to improve the effectiveness of the Government's monitoring system on projects and activities of government agencies, the Central Information Collection Unit (CICU), which ceased operations on 25 September 1999 will be reactivated, with the Ministry of Finance as the secretariat. CICU will be responsible for the collection of information on all Government companies, including the State Economic Development Corporations (SEDCs).

23.73 Efforts to integrate the asset and store management systems adopted by various agencies will be continued during the Plan period. In this regard, the regionalization and operational store approach will be reviewed based on the evaluation of its implementation at five pilot premises.

Organizational Development and Human Resource Management

23.74 Comprehensive measures to strengthen organizational structures in the public sector will continue to be implemented during the Plan period. Organizational restructuring will also be undertaken in response to new trends and developments in the public and private sectors. These will include the EG initiative, the demands of a knowledge-based economy, requirements of the knowledge-based work culture and flexible modes of work including teleworking. These developments will impact the structure, functions, numbers and type of personnel as well as the competencies that will be required.

23.75 The Human Resource Management Information System (HRMIS) will be fully implemented during the Plan period and its effectiveness strengthened through the introduction of the competency-based human resource management approach. This will form the basis for effective human resource management relating to placement, performance appraisal, promotion and training. This approach will also be used to develop a critical pool of knowledge workers in the public sector.

23.76 The public sector will continue to seek opportunities for training and study for officers and students overseas, particularly in areas that are critical to the needs of the public sector. Training programmes conducted by INTAN will focus on ICT-based courses in preparing public sector personnel for the ICT era and knowledge-based economy. INTAN is expected to train 200,000 public sector personnel during the Plan period. Training programmes will also be expanded at its Sarawak campus while the Sabah campus will begin operations in 2001. INTAN will also continue to provide training in areas such as financial, urban and environmental management, quality management as well as negotiations and writing skills. At the same time, emphasis will be given to the development of positive values, expertise and awareness through relevant basic courses.

23.77 Matters relating to discipline and conduct of public sector employees will be enhanced through the effective enforcement of disciplinary regulations. Efforts to utilize psychological elements in human resource management will be further strengthened. In addition, counselling services will be provided to enhance performance and motivate public sector personnel.

23.78 The public sector will continue to work towards building harmonious industrial relations, thus improving productivity. Educational sessions and scheduled meetings between management and staff will be utilized to resolve problems and overcome dissatisfaction.

Collaboration with the Private Sector and Non-Governmental Organizations

23.79 Public-private sector collaboration under the Malaysia Incorporated Policy will be further upgraded to enhance the nation's competitiveness. In meeting the challenges of globalization and the knowledge-based economy, the public sector will continue to consult with the private sector and provide strong support for their activities. The emphasis will be on efficient, fast and high quality services through the implementation of quality enhancement programmes as well as business-friendly applications under the EG project. The joint research programme between the public and private sectors will be further enhanced to increase the role of the private sector in R&D activities and commercialization of technology.

23.80 An impact analysis of the effectiveness of administrative measures to support Malaysia Incorporated will be undertaken. In addition, the Government will continue to gather feedback from the private sector through dialogue sessions and consultative panels at all levels of the administrative machinery. This feedback will be used to streamline systems and work procedures, provide and disseminate Government information as well as review relevant laws and regulations to further facilitate the activities of the private sector. In addition, informal interaction through participation in sports and recreational activities will be utilized to enhance public-private sector collaboration.

23.81 Public sector agencies will continue to enhance collaboration with relevant NGOs that have the necessary expertise and experience to help implement programmes and activities in specific areas. In this regard, financial assistance, training as well as the use of facilities and amenities will be extended to these organizations.

IV. CONCLUSION

23.82 The integrated administrative improvements implemented during the Seventh Plan period continued to ensure that efforts towards the quality and excellence of the public sector was strengthened. For the Eighth Plan period, the public sector will continue to work towards improving its internal operations and enhancing the delivery of services by reviewing and strengthening its administrative improvement programmes. The emphasis will be on responsive and customer-focused services and outputs. In this regard, quality management initiatives will continue to be the foundation in meeting the core objectives of efficiency and effectiveness while the benefits of ICT will be fully utilized. Improvements and innovative approaches in human resource management as well as organizational

development will be undertaken to fulfil the requirements of the knowledge-based economy while smart partnerships with the private sector and NGOs will continue to be pursued.