

Transforming public service for productivity

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Overview

The challenges facing governments are becoming increasingly more complex due to technological and cultural changes, demographic shifts, and the ever-faster movement of money, goods and people. Governments globally are also encountering greater fiscal constraints, economic uncertainties, declining effectiveness of standard practices and procedures, as well as difficulties in attracting and retaining top talent. Increased affluence and exposure to global services has led to more sophisticated demand and rapidly rising expectations from the *rakyat*, further escalating challenges in public service delivery. An important part of addressing these challenges requires adapting to new models of service delivery that are better suited to today's technologies, norms and citizen needs. These new delivery and service requirements provide a clear opportunity for the Government to reform in order to be more cost-effective and better equipped to meet the demands and expectations of the *rakyat* for 2020 and beyond. This will also require the public sector to be leaner, facilitative, more efficient, more productive, more skilled, more open, more innovative, and less bureaucratic, in order to better deliver for the *rakyat* and for Malaysia.

During the Tenth Malaysia Plan, 2011-2015, the Government embarked on efforts to adopt a whole-of-government approach in delivering its services. Efforts were undertaken to transcend organisational boundaries between and within public sector institutions towards achieving shared goals. Integrated solutions were developed to better meet the needs of customers, including citizens and the business community. Improvements were made across public service in areas such as streamlining regulatory processes, reducing business licensing

requirements, removing redundant procedures, as well as expanding digital and online government services for the rakyat. Organisational restructuring, career advancement schemes and value management initiatives were implemented across public sector institutions, resulting in significant cost savings.

In the Eleventh Malaysia Plan, 2016-2020, the Government will become more citizen-centric and focus on enhancing the efficiency and productivity of the public service. Service delivery will be further enhanced and executed with speed and accuracy through innovative and creative approaches while upholding integrity. This chapter addresses current challenges and outlines strategies for enhancing public service delivery by improving delivery processes, leveraging data, expanding out reach, and increasing accountability and transparency. It covers the rationalising of public sector institutions, rightsizing of the public service, and introducing exit policy for non-performers, as well as enhancing talent management and competency building. The emphasis is also on improving project management and implementation by public sector institutions, as well as capitalising on local authority with greater empowerment, more stakeholder engagement, and stronger business or community partnerships. The aspiration is to enhance public service in Malaysia with citizens at the centre; with talent that is more skilled; less bureaucratic and hierarchical; less centralised, and with services that are even more accessible, efficient, and effective for the *rakyat*.

Highlights

Tenth Malaysia Plan, 2011-2015: Achievements

77%

Government services provided online out of 13,483 services

80%

Increase in conviction rates for corruption cases from 34% in 2011

98%

Government websites and portals rated 3-stars and above in 2014

3.1 million

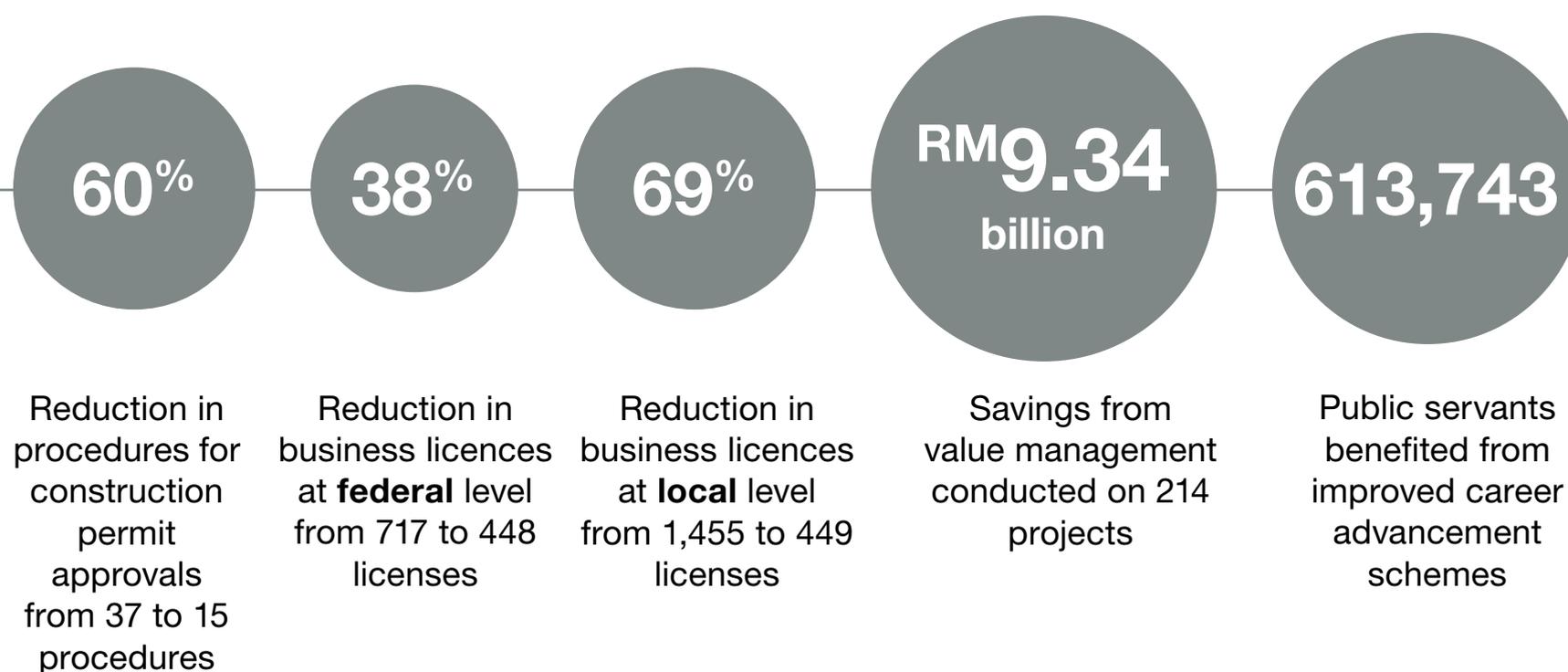
Transactions handled by 1MOCC on public queries, complaints, suggestions and feedback from Nov 2012 to Apr 2015

15.4 million

Customers served by UTCs, RTCs and Mobile CTCs in 2014

Designing public services around people and business

Accelerating delivery through transparent and accountable management of priority outcomes



Positioning government to be an effective facilitator of private sector-led growth

Driving productivity to ensure prudent use of public finances

Rationalising and building capacity in government

Looking Back

Tenth Malaysia Plan, 2011-2015: Progress

During the Tenth Plan, the Government embarked on efforts to adopt a whole-of-government approach in delivering services.

A number of initiatives were undertaken to improve the efficiency of public service delivery. As part of ongoing improvement efforts, Malaysia continued to benchmark and monitor its rankings in various global indices such as the World Competitiveness Yearbook (WCY) by the International Institute for Management Development (IMD), the e-Government Development Index (EGDI) by the United Nations (UN) and the Corruption Perception Index by Transparency International (TI).

In the government efficiency sub-index of the WCY, Malaysia ranked 15 out of 60 countries in 2014 compared to 13 out of 59 countries in 2012. Government efficiency covers public finance, fiscal policy, business legislation, societal framework and institutional framework. Although there were improvements in the areas of public finance from 21 to 20, fiscal policy from 12 to 11 and business legislation from 21 to 19, Malaysia's position dropped in societal framework from 25 to 32 and remained at 13 in institutional framework.

With respect to the availability of online services¹ in the EGDI, Malaysia's position dropped from 20 in 2012 to 31 in 2014 out of 193 countries. This was attributed to the lack of citizen-centric services such as e-participation, government open data and accessibility to online services.

Malaysia was ranked 50 out of 175 countries in 2014 compared with 53 out of 177 countries in the 2013 Corruption Perception Index. The Index measures the perceived levels of public sector corruption based on secondary data from independent institutions. The improvement can be attributed to:

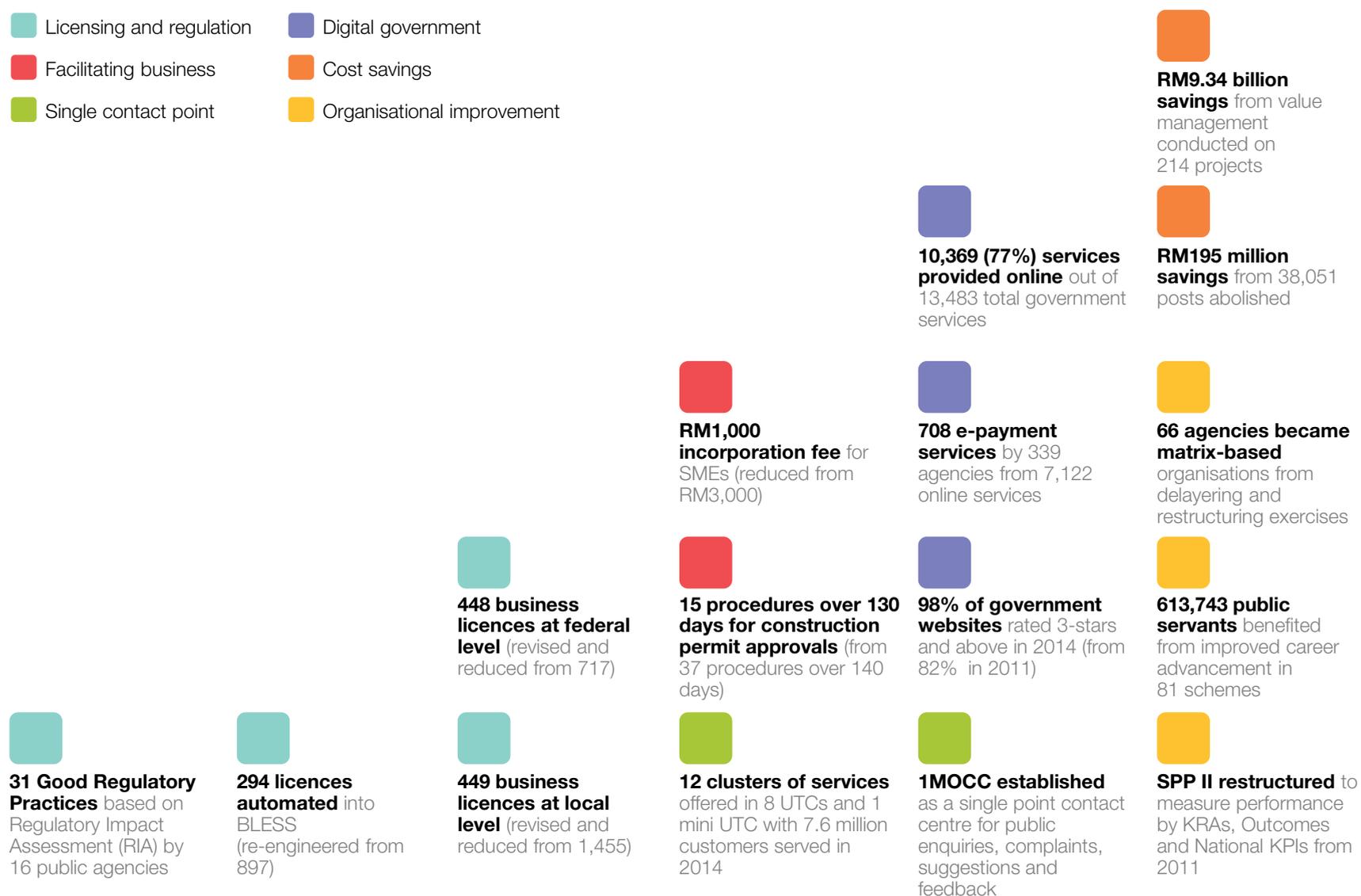
- The establishment of 14 Special Corruption Sessions Courts in 2011 that enabled corruption cases to be resolved within a year of reporting, cleared backlogs and increased the conviction rate from 34% to 80%;
- The signing of the Corporate Integrity Pledge by 512 institutions and corporations between 2011 and 2014;
- The setting up of 746 integrity units in ministries, departments and agencies between 2013 and 2014; and
- The investigation of 24 cases subsequent to the tabling of the Auditor General's Report 2012 and 2013 to the Parliament.

Malaysia's commitment towards improving its public service delivery has resulted in a number of significant achievements as shown in Exhibit 9-1.

¹ Online services measure the use of information and communications technology (ICT) by governments to deliver public services at the national level. This is based on a survey of online presence, which assesses the technical features of national websites as well as the application of e-government policies and strategies.

Exhibit 9-1

Public service delivery achievements during the Tenth Plan



Source: Malaysian Administrative Modernisation and Management Planning Unit (MAMPU), Public Service Department (PSD), Economic Planning Unit (EPU), Ministry of Finance (MoF), Malaysia Productivity Corporation (MPC)

Box 9-1

1Malaysia One Call Centre (1MOCC)

1Malaysia One Call Centre (1MOCC) was launched in 2012 as a single point of contact to respond to any public enquiry, complaint, suggestion or feedback. Key features and achievements of 1MOCC include:

- +60 3 8000 8000 as a unique single contact number to connect to all government agencies;
- Multi-channel options to get in touch via phone call, short messaging system (SMS), email, or social media;
- 24/7 operation including Saturdays, Sundays and public holidays;
- No wrong door policy and one-stop service centre philosophy;
- 3.1 million transactions handled from November 2012 to April 2015 of which 98.1% were voice calls;
- Transaction categories comprised 51.4% directory assistance, 47.9% government service enquiries, 0.02% complaints and 0.19% feedback or suggestions; and
- All calls answered, are in less than 20 seconds.

1MOCC provides a seamless approach to customer service, offers low call rates for the public, and enables cost savings through a centralised, efficient and accurate communication system. It has resulted in optimisation of resources and more effective collaboration between ministries and agencies in providing services to the public. 1MOCC received the 2013 Service Innovation Award by FutureGov Asia Pacific, and the 2014 Best Government Centre Award by Avaya Malaysia.

* * *

While the Tenth Plan laid the foundation for a whole-of-government approach, there are significant opportunities for improvement in public service delivery. Transparency and efficiency of public service delivery can be enhanced through more effective engagements with citizens to understand their preferences and needs, as well as through better coordination or data sharing among and within agencies. There is also room for improvement in public perception and public awareness of available services and delivery channels. The public service is still largely multi-layered, with instances of overlapping roles and functions of agencies. Talent management in the public service can be enhanced with more flexible working arrangements, a performance-based reward system as well as more relevant and outcome-focused training opportunities. Project implementation by the public sector can also be improved with greater engagement with relevant stakeholders, stronger monitoring, as well as enhanced planning and execution capabilities.

Box 9-2

The Government Transformation Programme (GTP)

The GTP was conceived and launched in 2010 to deliver ‘big fast results’ on a nationwide basis for all Malaysians. The programme was aimed at improving the delivery of public services focusing on priorities that matter most to the *rakyat*, such as improving living standards, elevating lives in rural areas through the provision of basic infrastructure and economic opportunities, assuring quality education for children, improving accessibility and connectivity of urban public transport infrastructure, creating a safe environment for all, promoting integrity and ethical practices, as well as establishing greater accountability and transparency in Government institutions.

The GTP introduced a new framework across ministries for managing performance and delivery of public services. It comprises the establishment of clear quantifiable KPIs, disciplined execution according to detailed implementation plans, regular performance reviews of Ministers, as well as corresponding rewards, consequences, and actions. Under the GTP, Cabinet Ministers are assigned Key Performance Indicators (KPIs) against National Key Result Areas (NKRAs) as well as Ministerial Key Result Areas (MKRAs). These KPIs are also cascaded throughout the relevant ministries. The Performance Management and Delivery Unit (PEMANDU) within the Prime Minister’s Department oversees and supports the delivery of these KPIs and outcomes.

A key feature of the GTP is the high degree of precision and accountability in implementation. Every implementation stage, initiative, and action plan as well as individual initiative owners or locations can be identified, tracked and monitored. The GTP involved extensive collaboration across ministries, including cross-agency teams of public servants to develop, detail, and deliver solutions to the *rakyat*. The GTP also involved extensive public engagement by ministries and the public service to gather input and feedback. Regular Delivery Task Force (DTF) meetings for each NKRA are convened regularly with relevant ministers and senior public servants to approve plans, monitor progress, and refine implementation strategies as required. The GTP Annual Report is published and serves as a measure of achievements against targets set and promises made to the *rakyat*. Each year, implementing agencies and ministries report on what has been accomplished, along with a transparent account on the challenges faced in meeting these targets.

New ideas, visible improvements and tangible benefits have been delivered to the *rakyat* under the GTP, and these have emerged from the collective efforts, dedication, and creativity of the public service and implementing agencies. Significant progress has been made across all NKRAs during the Tenth Plan period, and in some areas tremendous transformational change has been delivered, such as the elimination of extreme poverty and reduction of the poverty rate to 0.6% under the low-income households NKRA.

National Key Result Areas (NKRAs) under the GTP

**Addressing
the rising
cost of living**



**Improving
rural
development**



**Improving
urban
public
transport**



**Raising living
standards of
low-income
households**



**Assuring
quality
education**



**Reducing
crime**



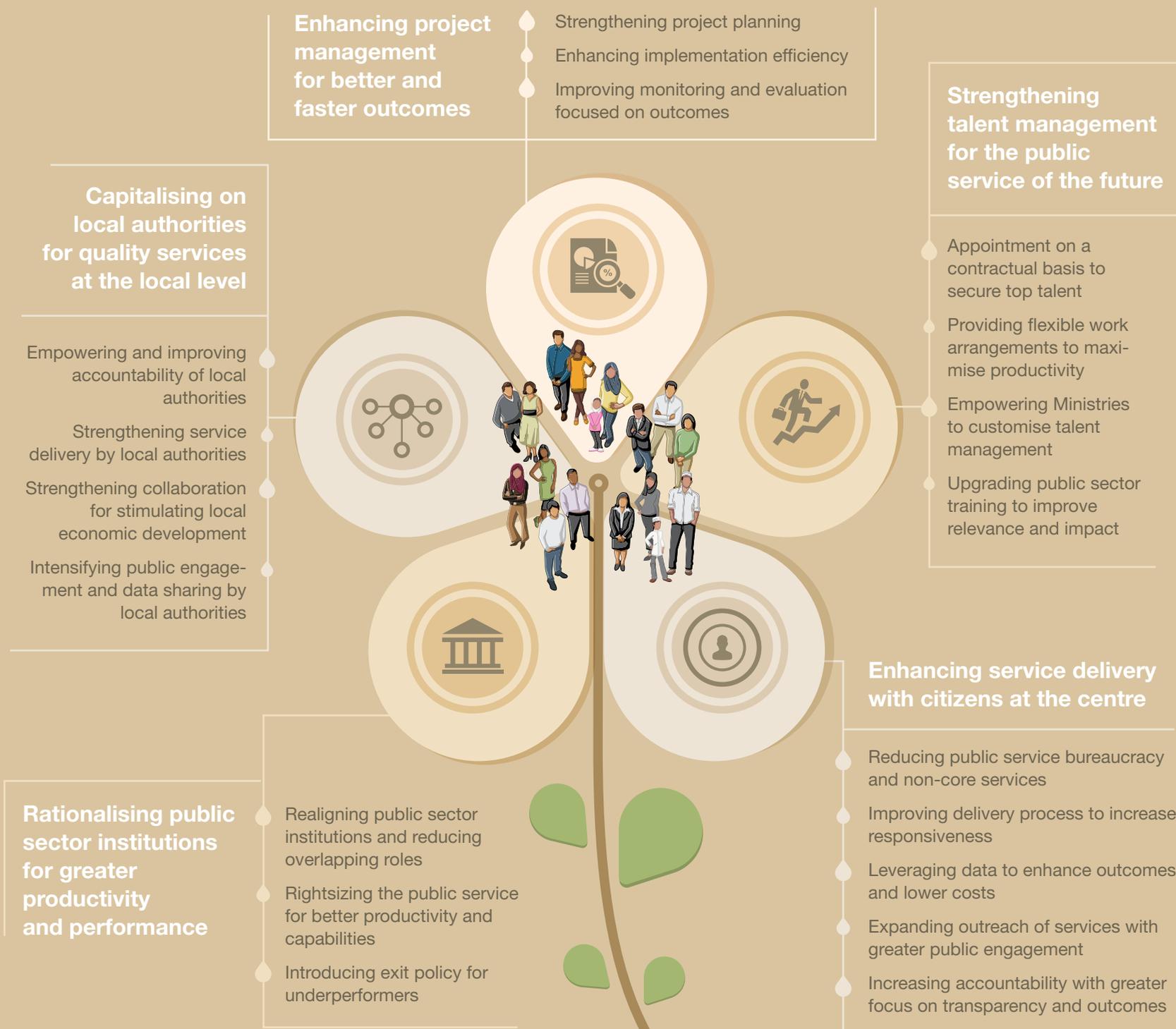
**Fighting
corruption**



**Public service
delivery
transformation**

Summary of focus areas

Eleventh Malaysia Plan, 2016-2020



SELECTED OUTCOMES

Top 10 in the Government Efficiency sub-index of the World Competitiveness Yearbook



Rationalising public sector institutions for greater productivity and performance

Top 15 in the Online Service sub-index of the UN e-Government Development Index



Enhancing service delivery with citizens at the centre

Top 30 in the Corruption Perception Index by Transparency International



Capitalising on local authorities for quality services at the local level

Embedding community expectations into local authority KPIs



Enhancing project management for better and faster outcomes



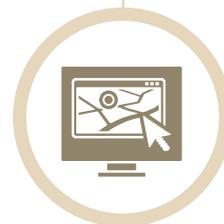
Conducting a comprehensive audit across institutions and agencies

PSC

Establishing a public sector comparator (PSC)



Establishing cloud computing for consolidation and data sharing



U-Customs providing a national single window for trade facilitation



Providing flexible working arrangement schemes

Strengthening talent management for the public service of the future



Moving forward

Eleventh Malaysia Plan, 2016-2020

In the Eleventh Plan, the Government will become more citizen-centric and focus on enhancing productivity and efficiency of the public service.

The public sector will introduce several creative and innovative approaches to enhance the quality of its delivery system. The focus will be on creating a more citizen-centric government to enhance the efficiency and productivity of the public service. In the pursuit of citizen-centricity, the Government will continue to benchmark its performance internationally. Major targets for the Eleventh Plan period include moving into the top 10 in the Government Efficiency sub-index of the WCY Index, moving into the top 15 in the Online Service sub-index of the UN e-Government Development Index, and moving into the top 30 in the Corruption Perception Index.

In order to achieve these targets, the Government will introduce several transformative changes as shown in Exhibit 9-2. The focus will shift towards more participatory governance by citizens, including better understanding citizen preferences and engaging them as partners in service design and delivery. Bureaucratic procedures that hamper the facilitation of service delivery will be simplified, data fully leveraged, redundancies reduced, and accountability increased. The Government will move beyond primarily playing the role of a service provider, to enhancing its role as a service facilitator. It will also expand partnerships with the private sector and community to improve the delivery

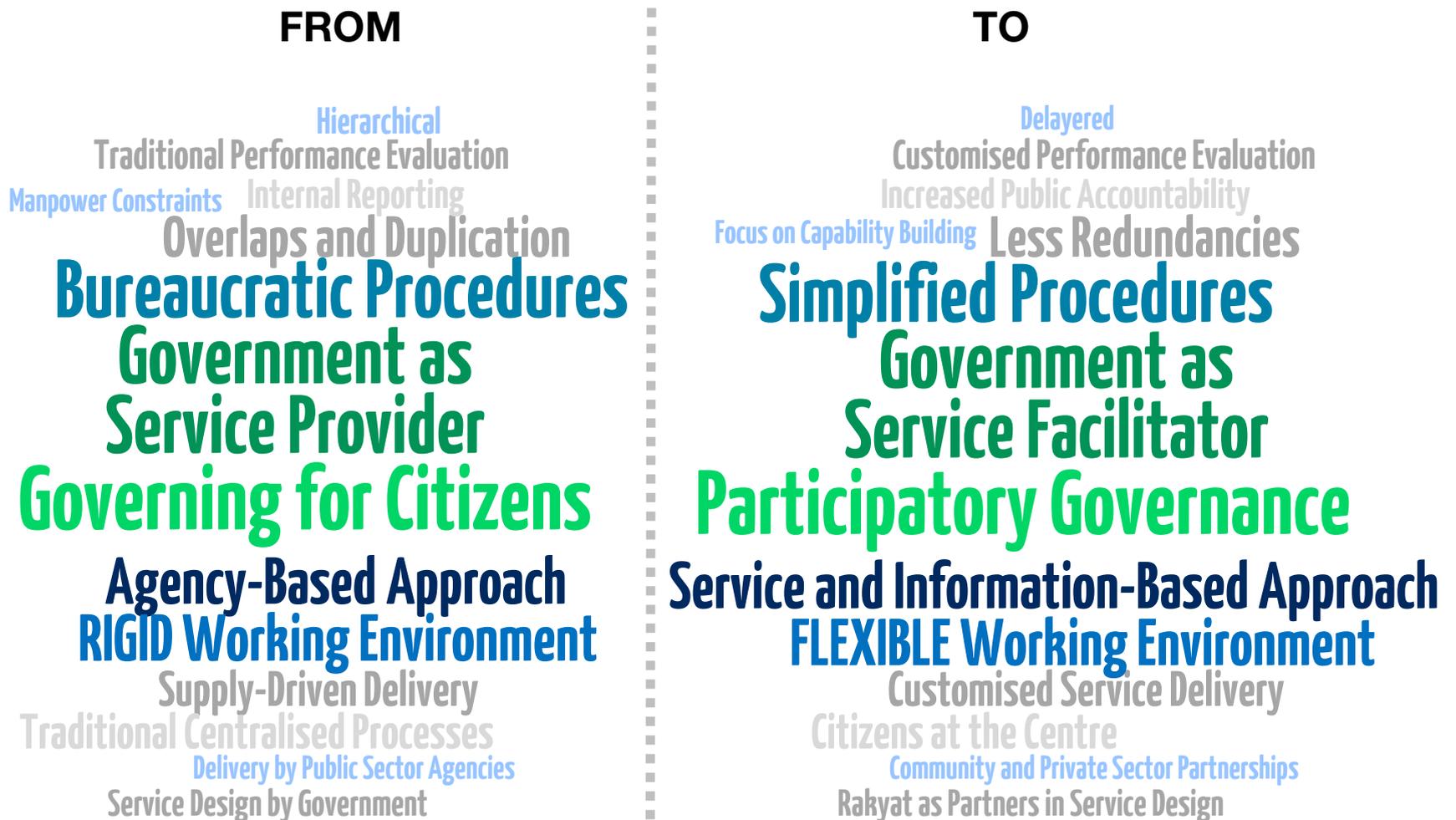
of services. Rigid public sector working environments will change to accommodate more flexible arrangements, with a stronger focus on talent management and capability building. The Government will shift away from the traditional approach of agency-based service delivery towards a whole-of-government approach based on services and information that adopts the perspective of the *rakyat* and puts them at the centre.

Towards this end, there will be five focus areas to transform public services for greater efficiency and productivity under the Eleventh Plan:

- 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; and
- Focus area E: Capitalising on local authorities for quality services at the local level.

Exhibit 9-2

Transformative changes in the public sector





Focus area A

Enhancing service delivery with citizens at the centre

The objective of the Government in enhancing service delivery is to achieve seamless delivery of services, increased customer satisfaction, increased efficiency and reduced cost. In this context, the role of the Malaysian Administrative Modernisation and Management Planning Unit (MAMPU) will be strengthened to spearhead the implementation of initiatives to enhance service delivery. MAMPU will ensure effective and efficient delivery of services through the adoption of recognised service delivery standards. The compliance to these standards will be monitored by accredited officers of respective agencies through a self-evaluation process. In addition, MAMPU will be the strategic advisor for the modernisation of government service delivery. The following strategies have been identified to enhance service delivery:

- **Strategy A1: Reducing public service bureaucracy and non-core services.** This will enhance customer satisfaction, reduce costs, create more opportunities for the private sector, and result in a leaner and more efficient government;
- **Strategy A2: Improving delivery process to increase responsiveness.** Key initiatives include improving work processes in the frontline, enhancing trade facilitation mechanisms, adopting green practices, and introducing alternative service delivery mechanisms;
- **Strategy A3: Leveraging data to enhance outcomes and lower costs.** This will require proliferating open data among agencies, encouraging cross-agency data sharing, and leveraging big data analytics (BDA);

- **Strategy A4: Expanding outreach of services with greater public engagement.** This will involve measures to increase and encourage the use of online services and Urban, Rural, and Mobile Community Transformation Centres, as well as to enhance citizen engagement in co-creating service solutions; and
- **Strategy A5: Increasing accountability with greater focus on transparency and outcomes.** Continuous efforts will be undertaken to uphold integrity, eradicate corruption, implement outcome-based budgeting (OBB), and instil noble values among public servants.

Strategy A1

Reducing public service bureaucracy and non-core services

Eliminating unnecessary bureaucratic processes

Work processes and procedures will be reviewed to identify and eliminate unnecessary bureaucratic processes such as approvals for licences and permits as well as rules and regulations, which are not in line with current needs. This will increase the efficiency of application and approval processes, enhance customer satisfaction, and reduce cost to both the Government and citizens.

Reducing government role in non-core services

In an effort to focus on the role of government as facilitator, its role in non-core services will be reduced. The Government will systematically reduce ownership and control of selected non-core services through privatisation and outsourcing. Possible services include operational matters such as processing of payroll, call centres, and asset management. This will improve service quality, allow greater flexibility and reduce costs of implementation, resulting in a leaner government while creating opportunities for businesses.

Strategy A2

Improving delivery process to increase responsiveness

Improving work processes in the frontline

Work processes and procedures in frontline agencies including local authorities will be reviewed to shorten the time taken for service delivery. This will include the integration of services at the front-end of delivery and consolidation of inter-agency back-end processes.

Enhancing trade facilitation mechanisms

The commitment to provide a National Single Window (NSW) for trade facilitation will be realised with the implementation of a ubiquitous customs system, u-Customs. The system will increase the efficiency of customs services and trade facilitation, namely self-declaration, risk assessment, duty payment, and physical release through an online single gateway. This will promote integrated sectoral governance, paperless trading and collaboration among the Royal Malaysian Customs Department, permit issuing agencies, other government agencies and traders. The implementation of u-Customs will also meet the commitment set under the Association of Southeast Asian Nations (ASEAN) Single Window initiative, which will connect and integrate NSWs of ASEAN members.

Adopting green practices to encourage green growth

The Government will play a catalytic role to bring transformative changes to spur green growth through the implementation of green procurement. At the same time, efforts will be undertaken to reinforce the enabling environment for green growth by enhancing policy, regulatory, and institutional frameworks; creating sustainable green financing mechanisms; increasing capacity, capability, and skills; improving monitoring and evaluation mechanisms; and enhancing public awareness.

Introducing alternative service delivery mechanism

The Government will leverage the capacity and geographical presence of NGOs and other community-based organisations (CBOs) as an alternative service delivery (ASD) mechanism to deliver selected services. ASD will be formalised starting with the delivery of welfare services such as elderly care, disaster aid, and drug addict rehabilitation by NGOs.

Strategy A3

Leveraging data to enhance outcomes and lower costs

Proliferating open data among agencies

An open environment will allow data to be used for effective analysis as well as interactive feedback between the government and the public. In this regard, MAMPU will spearhead the National Open Data initiative in collaboration with the Multimedia Development Corporation (MDeC) to enable the innovative use of government data. Under this initiative, actions that will be undertaken are as follows:

- Review legislation and guidelines that hinder implementation of open data;
- Establish an open data framework for the public sector across federal, state, and local authorities;
- Develop an open data implementation roadmap as a guideline to agencies; and
- Implement a communication plan to increase awareness among agencies and the public.

Encouraging cross-agency data sharing

Following the successful implementation of infrastructure sharing through 1Gov*Net in the Tenth Plan, the Government will focus on the implementation of data sharing. A cloud-based service will be set up to host public sector data and online applications in the Government Data Centre (GDC). As a single platform, this service can be leveraged to enable data and application sharing with adequate access controls. The GDC will merge Federal agency data centres across states into six different zones covering four in Peninsula and one each in Sabah and Sarawak. The 1Gov*Net will be expanded to consolidate all Federal agency network infrastructure to further facilitate data sharing across agencies. In addition, state and local authorities will be encouraged to set up a similar network to facilitate data sharing across all levels of government.

Box 9-3

Public sector cloud computing infrastructure

The public sector cloud computing infrastructure is a dedicated cloud to host government applications and data. This involves deploying groups of remote servers and software networks that allow centralised data storage and online access to computer services or resources. The cloud will be a one-stop centre for public sector agencies to have access to various cloud services namely, Software as a Service, Platform as a Service, and Infrastructure as a Service. Among the advantages of cloud implementation are:

- **Cost reduction** – resources such as software, storage and processing power are pooled and shared to serve multiple agencies;
- **Strengthened security** – incorporate data security with adequate access controls to manage usage of sensitive data;
- **Universal access** – cloud mobility enabling access from any place at any time;
- **Faster deployment** – enable agencies to run their applications faster as a result of improved manageability and lower maintenance requirements; and
- **Ease of collaboration** – allow real time collaboration where documents are stored in a central location and can be accessed by multiple users.

Leveraging big data analytics

MAMPU will spearhead the initiative to leverage BDA in collaboration with MDeC. The BDA Blueprint for the public sector will be formulated, which will encompass governance mechanisms, communication plan and capability building. The implementation of BDA will utilise existing government infrastructure such as 1Gov*Net and GDC. The usage of BDA will facilitate decision-making based on comprehensive data made available from within and outside of the agency.

Strategy A4**Expanding outreach of services with greater public engagement****Increasing usage of online services**

The Government will continue to expand and strengthen its online service offerings for greater accessibility and convenience for the rakyat. Measures that will be undertaken to increase and encourage the use of online services are:

- Deploying multiple channels of delivery focusing on mobile platforms;
- Strengthening cyber security protection in critical online transactions;
- Offering more services via the single sign-on; and
- Shifting from agency-based to service- and information-based approach.

Maximising the usage of Urban Transformation Centres, Rural Transformation Centres and Mobile Community Transformation Centres

Urban Transformation Centres (UTCs) and Rural Transformation Centres (UTCs) will be utilised optimally, among others, to conduct training for entrepreneurs and implement micro-sourcing programmes for the community. Services from Mobile Community Transformation Centres (Mobile CTCs) will be expanded and strengthened by consolidating different services into one facility. This will allow frontline government services, which include MyKad registration, driving licence renewal, and business advisory services, to be made available to the underserved. A study will be conducted to evaluate the impact of the UTCs, RTCs and Mobile CTCs to the community.

Enhancing citizen engagement in identification of issues and creative solutions

A community engagement framework will be established to enable the co-creation² of public sector solutions where frontline agencies gather feedback through crowdsourcing³ platforms. This is similar to the Guideline on Public Consultation Procedures introduced by the Government in October 2014 as a reference for ministries and agencies. The framework will provide opportunities, including online, for the public to contribute to the process of identifying issues and creative solutions to improve services.

Strategy A5

Increasing accountability with greater focus on transparency and outcomes

Upholding integrity at all levels

Continuous efforts to uphold integrity and eradicate corruption will be undertaken. These efforts will enhance public perception with respect to the integrity of the public sector as well as improve Malaysia's position in international rankings. Among the efforts are:

- Publishing government procurements through MyProcurement portal to enhance transparency;
- Reviewing the effectiveness of public commissions;
- Reviewing the Malaysian Anti-Corruption Commission Act to further boost efforts to eradicate corruption;
- Ensuring the participation of Certified Integrity Officers (CeIO) throughout the whole process of project implementation;
- Focusing on further implementation of the Corporate Integrity Pledge (CIP) with the private sector in executing corruption prevention initiatives; and
- Forming strategic partnerships with NGOs, political associations and CBOs for collective engagement on initiatives undertaken and act as agents of change.

Expanding the sharing of resources

The revised standard guidelines for office space will be implemented to optimise space management. In addition, sharing among agencies in common locations in terms of asset deployment including office inventory, facilities and vehicles will be further intensified. Guidelines for the sharing of resources will be developed by the Ministry of Finance.

Implementing outcome-based budgeting

Outcome-based budgeting (OBB), which integrates both development and operating budgets, will be implemented to ensure Government expenditure is aligned with national priorities and benefits the target groups. Performance of programmes at the national and ministry levels will be measured based on quantity, quality, cost and timeliness. Ministries will be held accountable for the performance of programme outcomes, which will form part of their key performance indicators (KPIs). Capacity building will be enhanced for the effective implementation the OBB.

Instilling noble values among public servants

With the demand for greater transparency and effectiveness in the delivery of public sector programmes, the public service will intensify efforts to instil noble values among public servants. This will be championed by the Public Service Department (PSD) and supported by all ministries and agencies. The public sector will continue to adopt positive values and attitudes including patriotism, impartiality, discipline, dedication, diligence, prudence, trustworthiness, civic-consciousness, and tolerance. These positive values and attitudes will complement the overall efforts towards enhancing the image of and trust in the public service.

² Co-creation means working with end users of products and services to produce a mutually valued outcome.

³ Crowdsourcing is the process of obtaining needed services, ideas, or content by soliciting contributions from the public, especially from the online community, rather than from employees or stakeholders.



Focus area B

Rationalising public sector institutions for greater productivity and performance

The Eleventh Plan will prioritise on optimising the Government's structure, scale, and operating model to enhance the focus, flexibility, and ultimately the performance of public sector institutions. Efforts to transform the public service will be continued through the rationalisation of government institutions. This will be implemented through the following strategies:

- **Strategy B1: Realigning public sector institutions and reducing overlapping roles** to streamline functions, manpower and funding to better align with changes in the economic structure;
- **Strategy B2: Rightsizing the public service for better productivity and capabilities** through restructuring and delayering, multi-skilling in the public service, extending self-regulation, as well as introducing new practices and productivity-based KPIs; and
- **Strategy B3: Introducing exit policy for underperformers** to create greater accountability and improve overall performance within the public service.

Strategy B1

Realigning public sector institutions and reducing overlapping roles

Public sector institutions will be rationalised in line with changes in the structure of the economy and national demographics. Resources including manpower and funding will be streamlined along these priorities. Overlapping roles and responsibilities among ministries, agencies, and commissions will also be rationalised to improve efficiency and productivity of the public sector. This includes reviewing the roles of attachés, diplomats, and delegations that represent different ministries at the Malaysian embassies and high commissions. Existing institutions will be strengthened to address functional gaps without creating new agencies. These initiatives will ultimately result in a public sector that is more agile and lean. In this regard, a special task force led by the Chief Secretary to the Government will be set up to conduct a comprehensive audit and review across public sector institutions and agencies.

Strategy B2

Rightsizing the public service for better productivity and capabilities

Restructuring of the public service

The public service will be restructured with a focus on better capabilities and greater productivity. Efforts will be undertaken to reduce the hierarchical layers in the managerial and professional group while increasing the proportion of middle management to facilitate matrix-based tasks. At the same time, frontline agencies will be empowered through greater authority.

Implementing multi-skilling in the public service

The Government will undertake and intensify the upskilling and reskilling of the support group in the public service to become multi-skilled. This will enhance career development opportunities by enabling the support group to move up to managerial and professional positions or undertake multi-tasking functions.

Extending self-regulation in specific areas

The Eleventh Plan focuses on the role of the Government as a facilitator and catalyst for development. In line with this, the Government will progressively move towards self-regulation or co-regulation where it is suitable, such as in telecommunications, education, and consumer-related areas. This will result in an increase in productivity, better outcomes for the rakyat, and a reduction in the cost of administration.

Integrating productivity improvements into public service

The Eleventh Plan emphasises efficiency and productivity improvements in both the public and private sectors. Similar to the private sector, public sector institutions will leverage guidelines and practices from the Malaysia Productivity Corporation (MPC) on productivity enhancements, and yardsticks for productivity measurement will be embedded into the KPIs of ministries and agencies.

Strategy B3

Introducing exit policy for underperformers

In line with the objective of achieving a high performing and dynamic public sector that will support the national agenda, an exit policy for underperformers will be introduced. Public servants, who do not meet stipulated performance criteria will undergo improvement programmes and will be given a specific time period to improve their performance, failing which, their service will be terminated. Measures will be put in place to ensure fair implementation of this policy.



Focus area C

Strengthening talent management for the public service of the future

Talent within the public sector are the most significant resource for the public service. The public sector will strengthen its talent management, capabilities, and leadership to enable quality improvement in service delivery. Strategies to strengthen talent management in the public sector will include:

- **Strategy C1: Appointment on a contractual basis to secure top talent** in critical fields with flexible pay structures and outcome-based KPIs;
- **Strategy C2: Providing flexible work arrangements to maximise productivity**, as well as retain talent, and provide work-life balance;
- **Strategy C3: Empowering ministries to customise talent management** through a bottom-up approach in talent development and performance evaluation; and
- **Strategy C4: Upgrading public sector training to improve relevance and impact** with a focus on leadership skills and functional specialisation.

Strategy C1

Appointment on a contractual basis to secure top talent

Appointments to appropriate positions will be on a contractual basis to attract and retain talent in specialised and critical fields. The appointment will be based on a flexible pay structure tied to outcome-based KPIs. This will create a pool of talent in the public sector with both private and public sector exposure for a more effective, innovative and proactive public service.

Strategy C2

Providing flexible work arrangements to maximise productivity

The Government will improve existing work arrangements for better work-life balance by providing greater flexibility in the public service. Measures that will be introduced are:

- Flexible work arrangement schemes, which will allow working from home, flexible working time and compressed working hours⁴. The implementation will be on a selective basis where tasks will be accomplished based on defined deliverables within a fixed time frame; and
- Part-time worker scheme that will retain expertise and minimise new recruitment. This scheme is intended for public service employees who wish to work for shorter time periods and be paid proportionately.

⁴ Compressed working hours will allow public servants to work a 40-hour work week in less than five work days.

Strategy C3

Empowering ministries to customise talent management

Enhancing talent development programmes

A bottom-up approach will be institutionalised to reduce centralised management of talent development programmes. Ministries and agencies will be empowered to plan and determine talent development programmes based on needs and priorities. The PSD will provide guidelines to ensure alignment of these programmes with national priorities.

Customising performance evaluation

Public sector institutions will be empowered to customise performance evaluation based on the roles and functions of the agency, in addition to the standard appraisal system. This will enable public service employees to be evaluated based on their agency's roles and functions. The current system will be improved to enable better rewards for high performers through a decentralised performance-based incentive approach.

Strategy C4

Upgrading public sector training to improve relevance and impact

Enhancing leadership development in the public sector to focus on impact

The capacity and capabilities of the National Institute of Public Administration (INTAN) and Razak School of Government (RSOG) in developing public sector leaders will be enhanced. INTAN will offer courses in areas related to public sector administration to build relevant leadership skills and stronger functional capabilities to meet the changing requirements of public service. In this respect, INTAN will review the existing curriculum to improve training effectiveness for better outcomes. INTAN and RSOG will strengthen collaboration to complement each other in delivering public sector training.

Revising public sector training policies for greater relevance

Public sector training policies will be reviewed and revised to focus on outcomes that will benefit both the individual and their organisation. In this respect, more capability building will also be provided to encourage multi-skilling, as well as more targeted training opportunities in new and specialised fields relevant for the new economy, such as data science, forensic economics and accounting, green auditing, and intellectual property evaluation.

Streamlining public sector training for greater specialisation

There are currently about 100 public training institutes for the public service operated by different ministries and agencies. The role of public sector training institutes will be streamlined to focus on areas of specialisation and to better support relevant functional roles.



Focus area D

Enhancing project management for better and faster outcomes

The development and institutionalising of best-in-class project execution capabilities within the Government is at the heart of public service transformation for greater productivity and efficiency. The Eleventh Plan will place emphasis on efficient and effective project management and implementation to ensure the completion of projects within the stipulated time, quality and cost requirements. This will require that projects implemented adhere to three principles: high impact to the rakyat, low cost to the Government, and rapid execution. Improvements in project management and implementation will be undertaken at all stages of planning, implementation, monitoring, and evaluation. The following strategies will help achieve these objectives:

- **Strategy D1: Strengthening project planning** at all levels and stages, including stakeholder engagement, resource allocation and project selection;
- **Strategy D2: Enhancing implementation efficiency** through pre-approved plans (PAP) for construction, competent contractors and consultants, as well as effective project management; and
- **Strategy D3: Improving monitoring and evaluation focused on outcomes** through cascading an outcome-based approach (OBA) in results monitoring and resource allocation.

Strategy D1

Strengthening project planning

Enhancing stakeholder engagement

Stakeholder engagement is crucial for the successful implementation of projects and will be made a prerequisite for project approval. Ministries and agencies will widen engagement with relevant

stakeholders to ensure wider support and buy-in for projects. To expedite implementation of projects, the requirements and priorities of stakeholders will be included in the design and planning of projects.

Enhancing resource allocation

The rolling plan approach, which was introduced in the previous Plan will be enhanced through the introduction of a shadow ceiling. The shadow ceiling is the total expected expenditure for the implementation of projects for each ministry in each rolling plan. This will enable the Government to make commitments within its financial capacity and allow for greater flexibility in the prioritisation of projects in response to changes in policy directions.

Enhancing project selection

The introduction of the Logical Framework Approach (LFA) and value management (VM) for projects in the previous Plan, improved project selection and ensured value for money through optimal project design. During the Eleventh Plan, the Creativity Index (CI) will be introduced to assist ministries and agencies to assess the potential impact and prioritise proposed projects. The CI is a ratio of project impact over both developmental and operational costs for a specific period. The project impact comprising economic and social, including environmental benefits, will be calculated in monetary terms. These benefits will comprise value delivered to direct and indirect beneficiaries. In addition, steps will be undertaken to establish a public sector comparator (PSC) as part of the project evaluation and selection process. The PSC aims to provide a reference point for comparing the cost of public sector projects with private sector projects of similar designs and functions to ensure value for money.

The Project Brief in the Project Monitoring System (SPPII) will be enhanced to include comprehensive data for effective project analysis,

selection, planning, and design. With this comprehensive data, the VM process can be conducted in the same year the project approval is given, in order to expedite project implementation.

Strategy D2

Enhancing implementation efficiency

Increasing the use of pre-approved plans for construction of government buildings

The PAP, which consist of a complete set of architectural, structural, mechanical, and electrical design drawings, but without the site-related design components like earthworks and foundations, will be used to expedite the construction of Government buildings and facilities such as schools, health clinics, fire stations, police stations, government offices, and quarters. The Public Works Department will design the PAP with elements of green design to ensure efficient energy use. Ministries and agencies implementing building projects will only need to select the available PAP designs that best suit their project requirements. As more options are included in the list of PAP designs, the need for customised building designs will be reduced. The use of PAP will also reduce the time taken for the planning and design process from 15 to 9 months, thus expediting overall project implementation.

Ensuring appointment of competent contractors and consultants

The Government will encourage contractors undertaking projects to undergo the Construction Industry Development Board's training and development programmes to enhance their competency and capability. In addition, a rating programme to assess the competency and capacity of contractors implementing Government projects will be introduced. Contractors with good ratings will be given additional merit in the evaluation for selection of contractors to implement Government projects. The emphasis is on ensuring only capable and competent contractors and consultants will be appointed. These efforts will improve project completion within time, quality and cost requirements.

Improving project management for public infrastructure and services

Project management will be improved by:

- Reviewing work processes and systems as well as upgrading technical skills and competencies of personnel in technical agencies to enhance their roles in the management and implementation of government projects;
- Establishing dedicated project teams in ministries and agencies to enhance supervision and monitoring of projects to ensure timely completion;
- Enhancing the capabilities of the policy planning and development divisions in ministries and agencies to ensure cost effective and timely implementation of projects;
- Creating a pool of project management personnel through the Certificate in Integrated Public Project Management training programme conducted by INTAN;
- Strengthening the centralised coordination and implementation of programmes and projects to ensure that citizens benefit from implementation outputs and outcomes; and
- Sharing of resources between ministries and agencies to reduce project cost.

Strategy D3

Improving monitoring and evaluation focused on outcomes

The monitoring and evaluation process will be strengthened through the OBA. This approach emphasises the achievement of outcomes or results rather than outputs, and will be continued and enhanced. The OBA allows for more effective resource management and greater value-for-money from public investment. The National Results Framework encompassing strategies, performance indicators, and targets will be cascaded to ministries and agencies to ensure every ministry and agency is aligned to deliver national outcomes.



Focus area E

Capitalising on local authorities for quality services at the local level

The Eleventh Plan aims to improve the delivery of services at the local level by building the capacity and capabilities of the local authorities. The efficiency of service delivery by local authorities will be improved through the following strategies:

- **Strategy E1: Empowering and improving accountability of local authorities** through better assessment of their capabilities and expectations of the local communities;
- **Strategy E2: Strengthening service delivery by local authorities** through greater collaboration with federal and state governments, and streamlining of rules and processes that can enhance local authority responsiveness;
- **Strategy E3: Strengthening collaboration for stimulating local economic development** by engaging the private sector and improving infrastructure and the business environment; and
- **Strategy E4: Intensifying public engagement and data sharing by local authorities**, leveraging new technologies for greater feedback and dissemination of information.

Strategy E1

Empowering and improving accountability of local authorities

Strengthening enforcement at the local level

Enforcement will be strengthened through greater collaboration with relevant agencies such as the police, immigration and district offices to ensure compliance to regulations. Efficiency of revenue collection by local authorities will also be enhanced. In addition, by-laws, guidelines, and standard operating procedures will be reviewed to streamline enforcement activities.

Expanding outreach to better understand community expectations

An independent survey will be conducted by the Local Government Department (JKT) to understand community expectations, which will be translated into KPIs to measure the performance of local authorities. In addition, various communication channels will be deployed to inform the community of the KPIs to enable better understanding and encourage their active participation.

Empowering local authorities based on readiness levels

Local authorities will be ranked according to their capability and capacity in delivering services. This will allow an objective assessment of their readiness to implement functions that can be devolved from federal and state governments.

Strategy E2

Strengthening service delivery by local authorities

Ensuring alignment of national development projects with local interests

Collaboration between local authorities, federal and state governments, and the private sector will be strengthened to ensure that public sector development projects are in accordance with the requirements of the local community and national interests. Focus will be given to ensure an attractive and vibrant living environment, efficient public transport, quality and affordable housing, as well as efficient public utility services.

Improving accessibility and responsiveness of local authority services

Efforts will be continued to enhance the delivery of local authority services through improvement in work systems and processes. Complex and ineffective regulations will be simplified and streamlined while unnecessary procedures will be eliminated. This will improve the efficiency of local authority services by reducing response time and increasing public satisfaction. Accessibility to local authority services will be widened through digital channels including websites and mobile-based services.

Strategy E3

Strengthening collaboration for stimulating local economic development

Facilitating private sector participation and investment in the local economy

Local authorities and the private sector will collaborate closely together to develop potential economic activities. In this regard, local authorities will continue to improve infrastructure and utilities as well as other support services. This will facilitate investment and increase private sector participation in the development of the local authority areas.

Developing a conducive environment for local businesses

Local authorities will develop the local economy, by providing a conducive environment including better infrastructure and commercial facilities. In this regard, local authorities will relocate and reorganise informal businesses⁵ into designated areas that are clean, accessible, and customer-friendly. The local authorities will take into account the requirements and financial capabilities of the business owners to facilitate the uptake of the relocation programmes.

⁵ National Urbanisation Policy definition: Informal businesses are small businesses being implemented as five-footway stalls or night markets. It also refers to the manufacturing sector or small scale productions that do not involve the use of permanent or planned buildings.

Strategy E4

Intensifying public engagement and data sharing by local authorities

Widening engagement with community and non-governmental organisations

Engagement with the community and NGOs will be widened to gain feedback on existing and proposed services by local authorities. Conventional and digital platforms will be utilised to provide multiple channels for greater community engagement. This will enable local authorities to better understand the needs and priorities of citizens, and design services accordingly. The Residents Representative Committee will assist the local authorities in dealing with wellbeing issues.

Enhancing compliance to Environmental Impact Assessment and Social Impact Assessment

Local authorities will ensure stricter compliance to the requirements of the Environmental Impact Assessment (EIA) and Social Impact Assessment (SIA) for relevant projects. SIA will be undertaken through greater engagement with relevant NGOs and the public. In addition, local authorities will disseminate information with regard to conditions for development. Enforcement will be undertaken to ensure compliance to EIA and SIA requirements during project implementation.

Improving data collection and sharing by local authorities

The JKT will introduce a system to enable local authorities to collect data that is required for planning and decision-making. This will include data on roads, drains, public amenities, education and health facilities, housing, as well as business premises. In addition, socio-economic data such as local demographics, health profile, and local economic activities will also be collected. The data will be made available to the public in accordance with current legislation.

Conclusion

The Government needs to deliver against rising public expectations and respond to population dynamics and technology trends. In the Eleventh Plan, the government will become more citizen-centric and focus on enhancing productivity of the public service through a whole-of-government approach supported by a lean and agile structure, competent talent, effective delivery of projects, and efficient services of the local authority. The emphasis will be on enhancing the role of the Government as a facilitator and catalyst for development. Ministries and agencies will adapt to new models of service delivery better suited to today's technologies, norms, and expectations of the *rakyat*. Beyond strengthening traditional values such as integrity, impartiality, and trustworthiness, the public service will demonstrate that it can be flexible, innovative, and able to change further and faster. Public service will be comprehensively transformed, rigid structures and redundant processes will be removed; innovation and openness will be encouraged; and responsiveness and pace of delivery will be accelerated. The Eleventh Plan will help to ensure that the public service is fit for purpose, fit for the *rakyat*, and fit for the future. This will accelerate Malaysia's transformation and transition to an advanced economy and inclusive nation.