

FAST-FORWARDING THE PUBLIC SECTOR INTO THE K-BASED CIVIL SERVICE

I INTRODUCTION

- 8.01 Fast-forwarding the public sector into a knowledge-based public service is necessary because of the need to have a more skilled, efficient and responsive civil service that can function effectively in a K-based environment to catalyse, facilitate, and support a K-based economy. A K-based civil service will also be the absolute minimum which a more informed and discerning citizenry will demand as the nation develops. Fostering a K-based civil service in effect also means developing the knowledge-based capabilities of about 911,600 people, or 9.48 per cent of Malaysia's 9.616 million-strong labour force in 2000. This in itself will go a significant way towards creating a knowledge-empowered Malaysian population.
- 8.02 The civil service has two basic functions to perform in the development of a K-based economy: first, to facilitate the development of the economy, and second, to develop itself into a knowledge-based civil service. Its detailed role is outlined as follows:
- Provide leadership for the process of development and manage the transition process in consultation with the private and community sectors.
 - Catalyse and set the pace for change and development.
 - Strategise and draw up the policies and macro-plans for a K-based economy in consultation with the private and community sectors.
 - Oversee implementation of the strategies, policies and programmes.
 - Implement programmes coming under the purview of the public sector.
 - Facilitate the functioning of an efficient and productive K-based economy through the provision of incentives and other measures.
 - Regulate the economy through appropriate and conducive laws, regulations and institutions.
 - Foster collaboration between the public sector, private sector and the community.

II CURRENT STATUS

- 8.03 The civil service was among the early adopters of ICT in its administration and services. The effort to fully exploit the benefits of ICT to raise quality and productivity was accelerated further with the launching of the National Information Technology Agenda (NITA). The most significant initiative under this agenda was the E-Government (EG) initiative.
- 8.04 Seven projects are being implemented under the E-Government initiative, namely the Generic Office Environment (GOE) project; the Human Resource Management Information System (HRMIS); the Project Monitoring System; the Electronic Procurement System; the Electronic Labour Exchange; E-Services (Electronic Delivery Services of Driver and Vehicle Registration, Licensing and Summons Services, Utility Bill Payments, and the Ministry of Health On-line Information); and Electronic Government-Accountant General (EG-AG) Integration.

- 8.05 The E-Public Services project is a trisectoral endeavour, which aims to provide electronic delivery of services, from the public sector, private sector and the community organisations, to the people. Electronic delivery is expected to raise efficiency, quality and productivity, while at the same time providing consumer convenience and satisfaction by being accessible anywhere and at any time. The public sector will play the leading role in planning and co-ordinating the initiative.
- 8.06 Computerisation measures included the launching of a revamped Malaysian Civil Service Link (MCSL) as a gateway to homepages of government agencies. In all, the public sector invested RM2.6 billion in ICT systems and computerisation for the public service during the Seventh Malaysia Plan period.
- 8.07 Besides the above, various measures were introduced to improve the public sector during the Seventh Malaysia Plan period with respect to quality of services, management integrity, work ethics, and organisational structure. These measures included:
- The Total Quality Management (TQM) system to improve work quality. This system covered among others the Quality Control Circle programme, the Client's Charter, and application of MS ISO 9000 quality standards.
 - Efforts to enhance management integrity and accountability under the supervision of the Special Cabinet Committee on the Integrity of Government Management, which included on-line registering and tracking of responses to public complaints, to enable the Public Complaints Bureau to serve the public more transparently.
 - Continuing measures to rightsize the public service, and enhancement of training programmes for public sector employees. INTAN organised 5,034 courses for 182,874 personnel during the Plan period. In addition 6,850 officers were sponsored for certificate, diploma, degree, masters and doctorate level courses. A competency-based Human Resources Management system is also being developed.
- 8.08 During the Eighth Plan period, the government is making a major effort to further build on existing measures to improve the public sector and adapt it to a knowledge-based environment. These measures include:
- Improvement and expansion of the quality management programme under the rubric of TQM;
 - Further implementation of the EG programme, with roll-out of EG pilot projects to all Federal, State and local government agencies beginning in 2001. The second wave of projects will also be initiated;
 - Further extension and upgrading of ICT infrastructure, as well as better integration and connectivity among ICT systems and applications among agencies;
 - Upgrading of information dissemination through the MCSL;
 - Further improvements to management integrity, organisational structure, management of human resources, and collaboration with the private sector and non-government organisations.
- 8.09 Substantial progress has therefore already been made in enhancing the performance of the public sector and adapting it to the demands of a knowledge-based environment. Seventh Plan measures will be further developed and enhanced under the Eighth Plan. The following however, merit attention:

- Initiatives so far have been focused mainly on the ICT domain. Enhancing knowledge in the civil service has not been given special emphasis beyond the on-going training and development programmes.
- ICT applications and potentials have not been fully exploited and utilised in the public service due to financial, hardware, software and skills constraints.
- Despite recent improvements, the civil service, like those of many other countries, generally remains structured, opaque and procedure-bound, affecting the quality, productivity, efficiency and speed of its services.

III ISSUES AND CHALLENGES

8.10 Developing the public sector into a more knowledge-based civil service poses various major issues and challenges. Some of the more important ones are as follows:

- The public service is a big organisation spanning the whole nation and extending down to the grassroots in the remotest areas of the country. It performs a myriad of tasks and provides a multiplicity of services, each imposing its own special set of requirements in terms of skills, organisation and work processes. Transforming this entire edifice is a major challenge even for the developed countries with their strong assets, technology and resources.
- The civil service picture in Malaysia is further complicated by the fact that there are in fact seven public services: a federal public service and six state public services (Kedah, Kelantan, Terengganu, Johor, Sabah and Sarawak). This Master Plan applies essentially to the federal public service. Efforts however, will be made by the relevant states to adopt and apply the basic principles contained in this Plan.
- The absorption and application of ICT in the public sector will automatically necessitate changes to organisational structure and management practices, to achieve optimal outcomes. The changes will have to be carefully managed, and would involve among other things, cultivating employee receptivity.
- Transforming a work culture fostered and acculturated over many decades will require massive unlearning and re-learning, and the reform of organisational structure and processes. The government has already embarked on various key measures to transform the public service, but given the size and constitution of the service, results can be expected to be uneven in the short and medium terms.
- In the last two decades, the civil service and the private sector have learnt to productively work together to advance the nation's development agenda. Both parties however, have yet to fully accustom themselves to working with the community sector. A concerted effort will have to be made to promote fruitful public sector, private sector and community partnership and collaboration in achieving the transition to a K-based economy.
- The public service must equip itself to satisfy a more demanding clientele, which expects the best possible standards and service in the shortest possible time.
- Developing a skilled and knowledge-based civil service actually begins with quality education and training in institutions of learning. A quality education system is therefore among the prerequisites for a quality public service.

IV POLICIES AND STRATEGIC DIRECTION

Goal and Targets

Develop a world-class knowledge-based public service

8.11 Malaysia should build on existing capabilities to develop a knowledge-based public service that is the equal of any in the world. The following specific goals are recommended:

- A public service which is skilled, knowledgeable, efficient and competent.
- A people-centred public service which is proactive and responsive to the needs of the rakyat.
- A public service which is more open and accountable.
- A public service which fully adopts and leverages upon ICT to enhance its efficiency and productivity.

Strategy

As strategy, focus on four main areas: Human resources; organisation and structure; work processes; and ICT

8.12 The evolution into a K-based civil service should be accomplished by focussing on four main areas:

- Development of human resources (people) in the civil service.
- Reform of organisation and structure.
- Reform of work processes.
- Absorption and application of ICT.

Measures

A Developing Human Resources

8.13 Efforts should be taken to equip public servants with better knowledge and the skills necessary for them to discharge their functions efficiently and effectively. Civil servants should also be trained to be innovative, flexible, adaptable and proactive in their work.

RECOMMENDATION 1:

Develop management of human resources based on competency

8.14 Management of human resources based on competency ensures that each post is filled by the most competent person available for the job, and that competencies are constantly upgraded to ensure a knowledge-based public service. It will also induce public sector employees to engage in lifelong learning, and help to enhance quality, efficiency and productivity in the public service. The development of the system involves two stages:

- First, drawing up competency profiles for each post and incumbent.
 - Second, basing recruitment, emplacement, assessment, promotion, remuneration and training modules on the competencies so defined.
- 8.15 The following measures are recommended with regard to determining competency profiles for posts and incumbents:
- Appoint consultants to ascertain the competency profile for each post or group of posts in the public sector. The supervisors of each post will utilise this profile to determine the competency profiles for the relevant incumbents.
 - Consultants will be required to classify the competencies into core, professional, functional, or any other division of competency, based on schemes of service.
 - Competencies of all incumbents should be evaluated at least once annually.
 - Phase 1 of the exercise to define competency profiles for posts and incumbents will only encompass 10 pioneer agencies within the HRMIS project. The exercise will be extended to all agencies in Phase 2.
 - Competency profiles for posts and incumbents will be incorporated into the HRMIS database to be utilised for human resources management purposes.
- 8.16 The following are recommended with regard to stage two of the development of the system, that is, basing recruitment, emplacement, promotion, performance evaluation, remuneration and training modules on specific competencies:
- Recruitment, emplacement, promotion, performance evaluation, remuneration and training modules should be based on clearly defined competency profiles for posts and incumbents.
 - Civil servants should assume various posts to develop their competencies, as each posting represents on-the-job training.
 - Separate performance assessment forms should be devised for all schemes of service and all groups of officers and staff.
 - Schemes of service should be reviewed to enable recruits with qualifications higher than the minimum required to be placed on a higher starting salary scale.
 - Competencies should be the basis for designing courses, workshops and seminars. Training programmes plotted for staff should also be based on their respective competencies, and training institutes should design courses at basic, intermediary and advanced levels to cater to different levels of requirements.
- 8.17 The management-by-competency system should be fully in place by 2005.

RECOMMENDATION 2:

Attract some of the best brains into the public sector

- 8.18 It is critical that the public sector attracts and retains competent staff. Posts identified as important and strategic should be filled by some of the best brains. Measures proposed to achieve this objective include:
- Improving schemes of service to make them more attractive and flexible. This can be done by measures such as improving career opportunities in terms of promotions and opportunities

to serve overseas and in international bodies, and opportunities to attend local and overseas courses.

- Elevating the image of the public sector as a uniquely challenging occupation and an employer of choice.
- Employing more exacting standards of recruitment and better assessment tools.
- Offering scholarships of standing and prestige to outstanding students to further their studies, and tying them to government contracts on their completion of studies.
- Prospecting for outstanding potential in the best institutions of higher learning at home and abroad.
- Intensifying on-line recruitment efforts.
- Extending opportunities for movement of personnel between public and private sector agencies.
- Permitting lateral entry/middle-level entry to enable private sector talents to be mobilised for the public sector.
- Introducing a more competitive remuneration system for critical posts and services.

8.19 Efforts to attract the best brains should be a continuing exercise not restricted to any time-frame.

RECOMMENDATION 3: Improve training policy and strengthen training programmes

8.20 The training of public servants needs to be significantly upgraded and adjusted to meet the heightened knowledge and skills demands of a K-based environment. The following measures are proposed in this regard:

- A specific training cycle should be developed for each scheme of service.
- Training programmes should be geared to developing specific competencies.
- To instill a continuous learning culture, each civil servant should be required to attend a compulsory formal or informal generic or functional training programme for at least seven days in a year.
- Heads of service should specify a training target in terms of competencies and time-frame for each employee.
- Each ministry and agency should prepare and implement a yearly training plan which will be closely monitored by the Public Services Department.
- Programmes that inculcate a knowledge culture should be adopted by the public sector. Such programmes should highlight the importance of knowledge in personal and career development, and in prospering the economy.

8.21 These measures should be in place by 2005. The gearing of training programmes to competency development should proceed in tandem with the development of the competency profiles proposed in Recommendation 1.

RECOMMENDATION 4: Strengthen support infrastructure for training

8.22 The support infrastructure for training in the public service needs to be reinforced to facilitate

and motivate public servants to enhance their competencies and skills. Proposals in this regard include the following:

- A training unit should be established in each Ministry and major agency.
- Co-ordination and linkages between public training institutions should be enhanced.
- An affordable financing scheme for training and education should be established to encourage the support groups to enhance their knowledge and skills.
- Training sponsorship schemes should be extended to include part-time, full-time and distance learning courses.
- A 'rewards scheme' should be introduced to encourage knowledge and skills acquisition among civil servants. The scheme could take the form of points, awarded for annual performance assessment.
- Allowances or other forms of remuneration for achievement in examinations should be introduced.
- The Treasury should establish a specific Object Code for training in the Operating Budget Estimate.

8.23 This programme should be in place by 2003.

RECOMMENDATION 5: Inculcate stronger thinking skills and a culture of innovation

8.24 Various training methods should be employed to develop 'learning to think and thinking to learn' skills among public sector staff. It is a process that must begin as soon as an employee joins the public service. Measures proposed to achieve this include the following:

- Various processes such as case studies and in-depth discussions should be utilised in training courses to develop the requisite skills.
- Opportunities for exposure to alternative ways of thinking through placement in private sector agencies as well as training overseas should be made available.
- Develop "multi-skills" among government employees.
- Inculcate a knowledge and innovation culture among public employees.

8.25 Training programmes incorporating the above requirements should be in place by 2003.

RECOMMENDATION 6: Develop a knowledge management system

8.26 A system to collate, store, disseminate, generate and utilise knowledge needs to be developed. The following are proposed in this regard:

- Utilise existing technology to design a computerised knowledge management system in all government agencies.
- Network/connect the knowledge management systems of all government agencies.

- Encourage knowledge sharing within and between government agencies.
- Foster networking and co-operation in information sharing between government agencies and selected private agencies.
- Improve public sector knowledge management through:
 - Appointment of a Chief Knowledge Officer who will work closely with the Chief Information Officer responsible for ICT matters.
 - Provision of a trained and competent officer to manage the knowledge management system.
 - Provision of incentives/awards to those who contribute to the knowledge bank as well as those who utilise information therein to generate new knowledge.
- Foster a culture of accumulating, developing and sharing information and knowledge to support this system.

8.27 The system should be fully in place by 2005.

RECOMMENDATION 7: Enhance transparency

8.28 A K-based economy and the K-based society within which it subsists require that the public sector be more open, transparent and accountable. The following initiatives are proposed in this regard:

- An Open Information Policy for the public sector should be formulated which would require civil servants to act as information suppliers and knowledge enablers. This necessitates a fundamentally different mind-set and approach from that which prevailed in the security-dominated thinking of the post-Independence years, when information was to be protected as much as possible. In the more open K-based economy environment, only the most sensitive information should be classified. This initiative will require a review of the existing laws and regulations.
- A National Data Bank, which enables a more flexible and open classification of information, and which can be accessed through the MCSL, should be set up. This measure further reinforces the need to review and relax existing legislation relating to confidentiality.
- Performance accountability should be enhanced through the submission of annual performance reports to Parliament, facilitating public access to audit reports and annual performance reports, and the preparation of annual performance reports based on the Client's Charter.
- An ombudsman reporting directly to Parliament should be established to replace the Public Complaints Bureau.
- Key performance indicators to measure performance and outcome should be formulated.

8.29 This initiative should be completed by 2003.

**RECOMMENDATION 8:
Strengthen capacity for policy analysis and R&D**

- 8.30 Resources for policy and programme analysis as well as R&D both within the public sector as well as in collaboration with universities, research institutions and the private sector should be increased. The measures here should include the following:
- Increased funding and expertise for research and analysis in policy planning and programme development divisions in Ministries and other government agencies.
 - Increased funding and expertise for R&D establishments in government.
 - Increased collaboration with research institutions, universities and the private sector to carry out R&D and policy/project evaluation.
 - Increased allocations for policy planning and R&D personnel to attend relevant courses, conferences, seminars and workshops at home and abroad to enhance their knowledge, skills and competencies.
- 8.31 These measures should be in place by 2003.

**RECOMMENDATION 9:
Improve English language capabilities**

- 8.32 There is a great need to enhance English language capacity in the civil service especially at the middle and lower levels. Measures to implement this, to be completed by 2005, include:
- Designating English language competency as one of the important competencies for selected services and professions.
 - Expanding English language learning facilities in government training institutions.
 - Organising English language classes in government agencies.

B Reform of Structure and Organisation

- 8.33 The premium placed upon knowledge in a K-based environment and the application of ICT in government processes will necessitate changes to civil service structure and organisation for optimal functioning.

**RECOMMENDATION 10:
Introduce flexible, flatter, non-hierarchical structures**

- 8.34 Rigid and highly hierarchical structures of organisation can be a liability in the K-based environment because they slow down decision-making and are inappropriate for many of the

multi-faceted and changing tasks in hand. Greater organisational flexibility therefore needs to be introduced into public sector administration where appropriate. The following measures are proposed in this regard:

- The management of an organisation should modify the structure of the organisation so that it operates in matrix or network form when necessary.
- The public sector should establish a middle level management which is non-hierarchical and which consists of multi-disciplined and multi-talented individuals.
- The feasibility of teleworking should be considered in specific fields.
- Organisations should be empowered to engage workers on contract or short-term basis to meet short-term requirements.

8.35 These measures should be introduced on a pilot basis in selected agencies as soon as possible, and extended more widely thereafter. Agencies which are heavily into analysis work as well as research and development are particularly suitable candidates.

RECOMMENDATION 11: Reorganise the public sector

8.36 The existing structure at federal, state and local levels should be reviewed to streamline the functions and activities of the respective agencies. It is proposed that a special task force, comprising the Public Services Department, the Finance Ministry and the Audit Department as the core members, be set up to study and propose the reorganisation of the public sector. Its specific work should include:

- An examination of all programmes carried out by government agencies to reduce or eliminate overlapping of functions and duplication of work.
- A study of the feasibility of the provision of various services under one agency instead of several agencies.
- A study of the possibility of combining counter services, perhaps in kiosk form, where customers can conduct all related businesses in one place or office.
- Enhancement of policy co-ordination between federal and state government agencies to avoid overlapping and inconsistencies.
- Identification of further opportunities for privatisation, outsourcing and contracting out to the private sector.

8.37 The task force should be established immediately.

C Reform of Work Processes

RECOMMENDATION 12: Introduce more efficient work processes

8.38 A concerted effort should be made to fully exploit the potentials of ICT to minimise bureaucracy, eliminate red tape and improve efficiency in work processes. The measures recommended are as follows:

- Provision of services through “single window” systems which are “on-line, real-time, anytime and anyplace” by the relevant agencies.
- Inculcating a culture that focuses on speedy performance and output rather than procedure and process.
- Automation of routine work and processes as far as possible.
- Emphasis on exercise of discretion, flexibility and adaptability in decision-making and service provision.
- Increase in efforts by all agencies towards paperless on-line work processes as well as the establishment of interactive processes to assist customers who wish to deal with government agencies on-line.
- Reduction of work processes for applications to the minimum level, as well as waiving requirements for non-essential information.

8.39 This initiative, which has already been launched but which needs to be reinforced and expedited, should be completed by 2003.

D Absorption and Application of ICT

RECOMMENDATION 13:

Address ICT shortfalls and introduce improvements

8.40 As indicated above, a variety of programmes are already being implemented to fully leverage upon ICT as enabler to improve the efficiency and quality of government services. These include the seven projects under the MSC Electronic Government flagship application, other MSC flagship applications such as smart schools, telehealth and the government multi-purpose card, and on-going ICT projects in various Government agencies.

8.41 Further initiatives to improve the performance and effectiveness of these projects however, are needed. Among the measures proposed are those outlined below:

- Enhance co-ordination and integration among various agencies and bodies involved in the planning and supervision of the development of ICT and its usage in the public sector. This should be completed by 2002.
- Improve and upgrade ICT infrastructure in government agencies within the framework of IT Strategic Plans, and ensure interfacing and inter-operability among them by 2005.

8.42 New applications that are to be developed and deployed in all the government agencies should include systems that can:

- Provide options to enable clients to obtain government services and information through a multiplicity of channels such as Internet kiosks and portals. This should be completed by 2005.
- Enable the introduction, by 2005, of a “single-window” system whereby government services and information can be accessed seamlessly by all without having to know the identity of the provider of the services.

V CONCLUSION

- 8.43 A knowledge-rich civil service is integral to the effective functioning and growth of a K-based economy. Malaysia is among the developing countries better placed to accomplish this objective successfully, but it will require an enormous effort on the part of all concerned to bring about the necessary changes and improvements expeditiously.