

Aligning Public Agencies for National Outcomes

By Yeoh Chee Yan

One of the main challenges for central government today is how to balance the diversity and robustness of a decentralised structure with the need for coherence and coordination on national, cross-cutting issues. Singapore's current approach is to have a small but active centre of government and to align key organisational elements such as vision, strategic planning processes and values. Systems like the PS21 public sector reform movement support the development of high standards of leadership and management across the public sector. New structures such as Strategic Issues Groups and the Economic and Social Forums have been formed and key processes are being improved. But ultimately, it is leadership at both the political level and at all levels throughout the public sector that gives life to networked government.

This is an edited excerpt of a speech made by Yeoh Chee Yan at the Senior Management Service Conference in South Africa in September 2005.

Trends and Challenges

There are common challenges facing many governments today. Globalisation is driving up public expectations, intensifying state competition for talent and investments and compounding pressures on social cohesion. At the same time, volatility and the inter-connected, complex nature of many issues are making the business of government more demanding than ever.

The pressure on government to be more responsive to citizens and the expertise required to deal with complex issues has driven many governments towards greater decentralisation. Over the past 20 years, the number of statutory boards in Singapore has grown significantly. In

such a decentralised structure, every permanent secretary and CEO of a public agency has both the accountability and the autonomy to set directions, build organisational capacity and manage resources so as to deliver on agency outcomes.

This autonomy also makes room for a diversity of approaches, viewpoints and sub-cultures across the service. In Singapore, we believe that the flexibility and diversity of a decentralised government structure is adaptive, enhancing resilience and our ability to respond quickly to the flux and complexity of a globalised world.

However, decentralisation poses its own challenges. First, in a decentralised structure, the level of organisational development and implementation capacity tends to be uneven across the public service. While some agencies are known for their organisational excellence, others pay scant attention to developing capacity for sustainable results. For central agencies, one challenge is to build service-wide capacity and enable individual agencies to level up, without curtailing their freedom.

A second challenge is that many national challenges, such as demographics or social cohesion, are cross-cutting issues which require inter-agency coordination and a coherent, whole-of-government response. Decentralisation compounds this challenge. One question we are grappling with in Singapore is how we can best balance the diversity and robustness of a decentralised structure with the need for coherence and coordination.

Networked Government and Whole-of-Government Outcomes

Going forward, a key strategic challenge is how to align public sector agencies to enhance implementation of whole-

of-government outcomes. In Singapore, government is still organised primarily along vertical lines of accountability with limited formal incentives for inter-agency cooperation. We need to watch out for duplication of efforts, agencies working at cross-purposes or worse, failing to envision, drive and optimise outcomes at the national level.

Our approach seeks to balance the flexibilities, expertise and responsiveness we want in a decentralised structure with the vision, coordination and coherence required to serve national interests and outcomes.

Many governments have swung back and forth over the years between decentralisation and centralisation of powers. In recent years, many Commonwealth countries have moved to strengthen the role of the Cabinet Office, Treasury or the Prime Minister's Office to improve horizontal management and delivery on government priorities.

In Singapore, the role of the centre continues to be debated, and while our approach is still evolving, we have as yet resisted growing the centre or making significant structural changes to increase central command and control. Instead, we recognise the need for a small but active centre of government which pro-actively builds the organisational software required to get people from different agencies to work effectively towards common purposes.

Our approach is more about aligning key organisational elements—vision, leadership, mindsets, perspectives, ideas, relationships, values, structures, strategic planning processes, funding and human resource levers—than it is about formal structures and central directives.

Political Leadership and Accountability Structures

The key to alignment lies in leadership. Ultimately, in a democratic parliamentary system, the elected political leadership provides the national vision and direction to inspire and unite state and non-state players. In terms of structures, the Cabinet remains the key working forum to set long-term strategic priorities, coordinate and decide on strategic trade-offs.

Accountability structures at the political level are

also needed to drive strategic national issues which involve several agencies or may not even be “owned” by any one agency. In Singapore, these issues have been taken up by inter-ministerial committees chaired at ministerial level. One such committee is currently looking at the issue of the widening income gap. Other committees look at demographic issues such as our low birth rate and the challenges of an ageing population. Another cross-agency problem, terrorism, saw the pooling of expertise and efforts under a National Security Coordination Secretariat. This comes under the Prime Minister's Office, headed by a Coordinating Deputy Prime Minister.

Structures and Processes at the Public Service Level

At the level of the public service, we have traditionally had the Committee of Permanent Secretaries which meets regularly and serves as a platform for alignment among the public sector leadership. We are also evolving new structures and processes aimed at aligning whole-of-government strategic planning with resources and implementation capacity.

First, in terms of structures, we have developed Strategic Issues Groups which are coordinated by the Strategic Policy Office in the Prime Minister's Office. These inter-ministry teams, sponsored by permanent secretaries, study strategic cross-agency issues and make policy recommendations. They are a vehicle for the government to think ahead and drive policy development on emerging cross-cutting issues. Permanent secretaries of economic and social ministries and agencies also chair the Economic Forum and Social Forum respectively. These forums serve to resolve cross-agency issues and clear obstacles to implementation.

Second, in terms of processes, we have developed a strategic planning process at the whole-of-government level. Facilitated by the Strategic Policy Office, the national scenarios-to-strategy process sees senior officials come together to brainstorm challenges, opportunities and scenarios for the future, and engage in dialogue on strategy at the national level. This process reviews long-term national strategy in the light of trends and possible discontinuities and develops strategic plans aligned to whole-of-government outcomes.

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Third, we are aligning this scenario planning process with the budget planning process, so that resources can be channelled to strategies and programmes which serve whole-of-government outcomes. The budget planning process ensures that ministries align their own strategic plans to whole-of-government national outcomes. In the medium term, it also provides the Ministry of Finance with a strategic basis to allocate resources among programmes and to determine the size of each ministry's block budget. Although we have moved from line-item budgeting to block budgets, we use what we call the Reinvestment Fund¹ to drive new cross-agency programmes aligned to whole-of-government outcomes.

Fourth, we recognise that knowledge management, i.e. leveraging on the horizontal flow of information, knowledge and best practices, is another key to building the capacity of a networked government. We see info-comm technologies (ICT) as a strategic enabler for realising our vision of being "many agencies, one government". While e-services seek to deliver public services integrated from a customer perspective, e-governance is about harnessing knowledge in policymaking and implementation, as well as engaging citizens and stakeholders in the private and people sectors.

My fifth point is about the need for a strong customer and citizen focus. This helps to anchor our perspective in policy development and the delivery of public services. We recognise that effective public consultation and communication is a critical part of good governance and successful policy implementation. Apart from training programmes, we have developed a portal for public agencies to share good practices in the area of public engagement. Every Cabinet Memorandum also requires agencies to state whether the public was consulted in the policy development process and the plans for public consultation and communication.

Developing Public Sector Leadership for Networked Government

Finally, Singapore has always held the belief that leadership is the key to doing the right things and doing them right. We believe that the public sector must have its fair share of top talent and have ensured this through competitive remuneration and a strong talent management system.

Our leadership development programmes for the Administrative Service go beyond developing leadership and management competencies. They seek to foster a commitment to public sector values of integrity, service and excellence. They seek to develop in public sector leaders a shared perspective of national challenges and the instinct to think in terms of broader national interests. Finally, the programmes cultivate informal relational networks which enable officers to work effectively across boundaries.

While we have a strategic focus on developing the Administrative Service and public sector leaders, we now recognise that networked government demands that we take a broader view of talent management and develop competent leaders at all levels. We are thus extending milestone programmes to managers at all levels across the service where we bring supervisors from different agencies together to give them a sense that they belong to the wider public service.

Conclusion

To sum up, state institutions must adapt and change the way they are organised to deal with the more unpredictable and complex world we live in. Except in certain contexts such

¹The Reinvestment Fund pools "productivity dividends" which are taken from ministry budgets and are based on the national productivity rate.

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as emergencies, traditional hierarchical structures which rely on central directives *alone* will not be adaptive. Instead a decentralised, horizontal network of partners and stakeholders which provides diverse perspectives, resources and expertise will be required to deal with complex national challenges.

However, it remains the role of the central agencies and the collective responsibility of the public sector leadership to drive service-wide capacity building and to align the many agencies and stakeholders behind a common vision and coherent strategies.

In Singapore, our approach to developing implementation capacity has been to align key organisational systems and to pay attention to soft issues like organisational and people development in order to obtain sustainable results. We have evolved new structures to deal with cross-cutting issues and sought to align our strategic planning and budget processes towards whole-of-government outcomes. But we see that competent public sector leaders at all levels, who share a common ethos and shared perspectives as well as strong relational networks, are what give life to a networked government. ■