

02/10/2015 - Roundtable Discussion: Code Of Governance For Public Sector

Bismillahirrahmanirrahim,

Assalamualaikum Warahmatullahi Wabarakatuh, Good Morning and Salam 1Malaysia.

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Yang Berbahagia Dato'-Dato', Distinguished guest and Ladies and Gentlemen.

Introduction

1. Malaysia's performance in terms of its international competitiveness over the years has been commendable. Malaysia is ranked 14th by the International Institute for Management Development (IMD) in the World Competitiveness Yearbook 2015, and positioned as the 18th most competitive economy by the World Economic Forum in its Global Competitiveness Report 2015-2016.

2. This success in part, is achieved by the role played by government institutions that have significant impacts on the nation's competitiveness. The interaction between government institutions and society including most importantly the business sector defines the environment by which our society and businesses remain competitive.

Dynamic Governance vs Governance

Ladies and Gentlemen,

3. Governance is defined by the World Bank as the traditions and institutions by which authority in a country is exercised. This includes:

- i. capacity of the government to effectively formulate and implement sound policies; and
- ii. respect of citizens and the state for the institutions that govern economic and social interactions among them.

4. There are several dimensions of governance as defined by the World Bank, one of which is Government Effectiveness. This refers to the quality of public services, the quality of civil service, the quality of policy formulation and implementation, and the credibility of commitment to such policies.

5. I would simply put it that governance refers to the institutions, systems, rules and processes that govern the relationship between the government and society that allows public policies to be formulated, implemented and evaluated.

6. In the ever changing globalised world that we live in, good governance is more important than ever. **More importantly, good governance that remains relevant and effective has to be dynamic.** In order to have an orderly and conducive environment that sustains competitiveness, it requires institutions, systems, rules and processes which define governance, to be dynamic.

7. Dynamic governance, where **rules, processes and policies are able to adapt to current developments**, will act as a catalyst for businesses to remain competitive. It also enables the

government to deliver social and economic outcomes to improve the lives of the people, failing which the government will lose its political legitimacy.

8. **Who then are involved in the success of having dynamic governance?** It consists of political leadership and civil servants. Dynamic governance of course is a function of deliberate and sustained commitment from government institutions and officials who are willing to continuously learn and enhance their governance capabilities. By that I mean, **government officials need to fully comprehend future developments, have a willingness to review existing policies, rules and processes and learn from the best practices of others.**

9. **Good governance also requires a good working relationship between the political leadership and public sector** as the political leadership sets the policy agenda, tone and environment for the public sector. The public sector on the other hand, is required to understand the political aspiration of its leadership in order to formulate and implement effective policies.

2 Pillars to Dynamic Governance

Ladies and Gentlemen,

10. I would venture to say that there are **2 pillars to dynamic governance**. First, the **institutional culture needs to be one which is accommodative towards learning and of being open to changes**. This is important because our values, beliefs and underlying assumptions may facilitate or impede decision-making processes that impact the choice of policies, rules and processes adopted.

11. The second pillar would be **having the capabilities to think ahead, to think again about our existing policies and rules, to adopt and adapt the best practices of others to our own environment**. It is also essential to adopt fair process which is a component of Blue Ocean Strategy. Fair process refers to the process of engaging with the relevant stakeholders involved with policy implementation through explanation and expectation clarity.

12. We should be also be looking at **how dynamic governance can be created, sustained and improved in the world of social media**, where government institutions and policies remain under constant scrutiny and review. These will enable government institutions to respond effectively to criticisms and suggestions in an environment that safeguard its impartiality while maintaining its professionalism.

13. **Dynamic governance will foster innovation in government practices** where new ideas are allowed to be experimented and incorporated into existing policies and practices to generate better outcomes.

14. An example of dynamic governance fostering such innovation in our local context can be seen in the introduction of the Auditor-General's Report Townhall session with the Media. The Townhall session, introduced in June 2014, allows the media to pose questions to the Secretaries-General and Heads of Federal Department with regard to audit findings as reported in the Auditor-General's report. This practice demonstrates the shift in the culture of our government of being open and willing to explain to the public, in terms of our failings with regard to compliance to audit measures as well as how we are going to rectify these mistakes.

15. Another example would be the introduction of initiatives under the National Blue Ocean Strategy. **Dynamic governance is also about efficient allocation and effective use of resources to achieve the expected outcome**. In this context, the National Blue Ocean Strategy or NBOS in short, aims to deliver high impact social and economic outcomes to the *Rakyat* through initiatives that are low in costs and rapidly executed. These initiatives are delivered by multi-agencies that effectively break down the silo barrier between agencies that characterises the norm of public service delivery. A good illustration would be the collaboration between the Royal Malaysia Police and the Malaysian Armed Forces though joint policing and training. When members of the Royal Malaysia Police are trained at military training centres due to constraints at the police training centres, it saves costs to the government by not having to build additional police training centres. It also enhances the cooperation between the two traditionally territorial agencies. The collaboration proves that with deliberate intention and commitment, we can change the way we work and in the process, improves governance.

16. While we discuss the hard elements of governance, let us not forget about the **need to build capacity and enhance the capabilities of civil servants** to allow dynamic governance to be implemented. What are the key attributes of civil servants and the corresponding capabilities required? I believe the Roundtable discussion today will be able to deliberate on this issue and others and provide some recommendations for us to consider.

CLOSING REMARKS

Ladies and Gentlemen,

17. I would like to take this opportunity to thank the National Professors Council (MPN) for organising this forum and I look forward to hearing your views and ideas henceforth. I do appreciate your presence and valuable inputs and wish you all a successful and fulfilling discussion.

Sekian, Wabillahi Taufik Walhidayah Wassalamualaikum Warahmatullahi Wabarakatuh.

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