

# ETHOS



05 Reclaiming Public Administration  
Jocelyne Bourgon

10 Not Just Service Delivery  
B. Guy Peters

74 Governance at the Leading Edge:  
Black Swans, Wild Cards, and  
Wicked Problems  
Peter Ho

80 Managing Complexity and Uncertainties  
Lam Chuan Leong

86 The Challenge of Growth  
Interview with Paul Romer



# ETHOS

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# CONTENTS

Issue 4, April 2008

- 03 **Editorial**
- 05 **Reclaiming Public Administration**  
Jocelyne Bourgon
- 10 **Not Just Service Delivery**  
B. Guy Peters
- 14 **Creating and Measuring Public Service Value**  
Ng Wee Wei
- 20 **Leveraging Networks for Public Service Delivery**  
Nicholas Mai, Tang Tee Sing and Yeo Yaw Shin
- 28 **Reinventing Singapore's Electronic Public Services**  
Karen Wong
- 38 **Better, Faster, Cheaper: Service Transformation and Channel Migration at the Ministry of Manpower**  
Penny Han
- 45 **Ten Tips: How to Create a Next Generation Public Service Super-Portal**  
Rosina Howe-Teo
- 53 **Service Beyond Excellence**  
Interview with Ng Hock Keong
- 59 **Integrated Service Delivery: The Australian Department of Human Services**  
Jeff Popple
- 64 **What Does It Mean to Optimise Public Service Delivery?**  
Lee Chong Hock and John Lim
- 68 **Book Review: Public Services at the Crossroads**  
Garvin Chow
- 74 **Governance at the Leading Edge: Black Swans, Wild Cards, and Wicked Problems**  
Peter Ho
- 80 **Managing Complexity and Uncertainties**  
Lam Chuan Leong
- 86 **The Challenge of Growth**  
Interview with Paul Romer
- 91 **The Changing Face of Government**  
The ETHOS Roundtable with Dr Ashraf Hassan Abdelwahab, Mr Feng Tie and Mr Mothusi Bruce Rabasha Palai

 EDITORIAL

Public services worldwide have undergone a remarkable revolution. Borrowing management approaches and performance tools from the private sector, public agencies in most developed nations—including Singapore, with its PS21<sup>1</sup> movement—have learnt how to operate as leaner, more responsive and more service-oriented outfits. The infocomm revolution of the past decade was a godsend in a period of transition in public service delivery: it providing the technical means to deliver a wide range of services quickly, efficiently and conveniently, and unlocked the potential of deep but often unwieldy government databases, resources and processes. Conventional public sector traits—such as ubiquitous reach and relevance, information wealth, security, resilience and intrinsic credibility—have been demonstrated as vital strengths in a newly connected world. Even after the dot.com bust, government websites and online services continue to thrive—indeed, much more is now being asked of public services by increasingly informed and net-savvy citizens and businesses.

However, there is now a sense that the low-hanging fruits of public service reform and efficiency gains have been mostly identified, if not harvested. Is it enough to make public service delivery

and government transactions ever faster, less onerous or more courteous? Professor B. Guy Peters argues that the relationship between public servants and the citizens they serve needs to be re-examined and perhaps restated (page 10). Ng Wee Wei, from the Accenture consultancy group, proposes outcome targets for public service based on the delivery of social value (page 14), and The Honourable Jocelyne Bourgon from Canada believes that it is time for governments to define a fundamentally new model of public service that matches today's complex challenges which cut across many different sectors of activity (page 5).

There is some consensus that the next phase of development for public service delivery will involve much less rigid boundaries between active agents, and much more collaboration between stakeholders within and outside government. The Managing for Excellence office in Singapore's Ministry of Finance suggests a natural curve of public sector evolution towards greater network activity and integration, as trust, confidence and competence grow and demand for Whole-of-Government solutions mounts (page 20). Bold private-public collaborations in Singapore, such as the Land Transport Authority's One.Motoring portal, have already yielded

promising results in this direction (page 45), while Australia's Department of Human Services points to the transformative potential of integration on a large scale across different service operations (page 59).

Technology will continue to be an important facilitator and enabler of change. While many of Singapore's e-Government initiatives are already at the forefront of global best practice, the Infocomm Development Authority is charting new trajectories for e-Government as technological possibilities and user readiness advance (page 28). Yet the pleasant irony of e-Government is this: far from leading to yet more faceless, robotic and rigid public service delivery, the ICT revolution has freed up many service units to become even more personalised, specialised and flexible in response. Innovations at agencies such as Singapore's Central Provident Fund Board (page 53) and the Ministry of Manpower (page 38) have returned the human touch to public services in a way that would have been well nigh impossible before. There are promising times ahead for the public sector, as it evolves beyond user-friendly transactions to new forms of productive engagement between government and society at large.

As we move into ever more turbulent and unpredictable waters, it is clear that governance-as-usual will no longer suffice. Head of Civil Service Peter Ho underlines key new capabilities that the Public Service will have to develop, in an operating environment which challenges us to anticipate the unprecedented and invent our own future (page 74). In this regard, the insights of veteran public servant Lam Chuan Leong on managing uncertainty and risk in government (page 80) are most timely and pertinent.

To discuss contemporary issues in governance, our Ethos Roundtable brings together three distinguished international public servants—participants in Singapore's inaugural Leaders in Governance Programme. We also have the privilege of hearing from Stanford economist Paul Romer, on the challenges of generating and sustaining economic growth.

I wish you a productive read.

Alvin Pang  
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#### NOTE

1. PS21 or Public Service for the 21st Century, a broad-ranging change movement dedicated to organisational excellence, staff development and quality service in the Public Service, was launched in 1995 (see <http://www.ps21.gov.sg>).



Jocelyne Bourgon

# Reclaiming Public Administration

**After thirty years of reform and experimentation, it is now time to outline a new, integrated model of public administration more relevant to the complex challenges of today, argues Jocelyn Bourgon, President Emeritus of the Canada School of Public Service.**

**P**ublic administrations are a vehicle for expressing the values and preferences of citizens, communities and societies.

The past thirty years have been a rich period of experimentation in public administration, aimed at making government more efficient, effective, productive, transparent and responsive. It was also a period where much was learned about the importance of good

governance and the shared responsibilities of the private sector, the public sector, civil society and citizens to ensure a high standard of living and quality of life. As a result, the current practice of public administration is no longer entirely consistent with the Classic model. Yet, practitioners do not have a modern, integrated theory adapted to today's circumstances.

It is time to integrate the core values

of the past with the lessons of the last thirty years to develop a new synthesis of public administration to guide practitioners serving citizens in the 21st century.<sup>1</sup>

### NOT ENTIRELY OF THE PAST

The Classic model emerged in the latter part of the 19th century, during the industrial revolution. It was founded on a number of conventions, including a strict separation of political and professional activities, public service anonymity and political neutrality. The power structure was vertical and hierarchical. It was ideally suited to repetitive tasks performed under precisely prescribed rules. The influence of scientific management led to an expectation that it was possible to define the “best” way to achieve complex results by breaking them down into simple tasks and that rigorous controls would ensure performance and accountability.

Today, few government activities come close to matching the Classic service delivery model which was organised hierarchically and controlled by delegated authority.<sup>2</sup> A recurring theme of the global government reform movement is the growth of non-traditional, non-hierarchical, and often non-governmental approaches to service delivery.<sup>3</sup>

### NOT YET OF THE FUTURE

In public policy today, one finds a web of

diverse policy tools, provided by a vast network of agencies, some in government but most outside. They are not managed in the traditional way but instead through networks of interdependent relationships.

Indirect tools, such as contracts, loans, transfers, grants and tax credits, account for most government services. They differ from the direct service delivery of the past. The more government uses indirect means of delivery, the less relevant the traditional model of accountability becomes.<sup>4</sup>

An increasing proportion of government services are intangible and knowledge-based. The quality and the nature of the services provided depend on the accumulated knowledge of the organisation and the know-how of the public servant providing the service. Controls do not improve performance and may even forestall innovation.

New ways must be found to encourage coordination in a non-hierarchical environment where powers and responsibilities are broadly dispersed.

Coordinating complex operations is the new trademark of public administration. On important issues,



it is necessary to develop a coordinated response to problems that stretch across boundaries. No government agency or country controls all the tools or has all the levers needed to address these modern issues. One cannot command collaboration (not even among agencies of the same government) or order trust. New ways must be found to encourage coordination in a non-hierarchical environment where powers and responsibilities are broadly dispersed.

Modern information and communication technologies allow citizens to reclaim their democratic institutions. It is no longer about democratic institutions providing services to citizens but about creating an enabling environment to empower citizens to take part in, even take charge of, the design and delivery of services provided to them. This is “initiating a dramatic change, a big U-turn, heading government back to the people”.<sup>5</sup>

An increasing number of public policies require the active participation of citizens, as agents, to achieve the desired policy outcome, in particular when issues require a change of societal behaviour which is beyond the state’s legislative authority and ability to act (e.g. obesity and global warming).

The hierarchical structure and authority-based public organisations created to meet the challenges of the

industrial age are not well-suited to manage a highly dispersed system of relationships and shared responsibilities needed to respond to citizens’ expectations in the 21st century.

An increasing number of public policies require the active participation of citizens, as agents, to achieve the desired policy outcome.

## POLICY CHOICES AND PUBLIC ADMINISTRATION

A good policy is one that achieves its intended results at the lowest possible cost to society, while minimising unintended consequences. While policy decisions get the most public attention, policy implementation is where success is defined.<sup>6</sup> The role of public administration is to transform good ideas into solid results to serve the public interest.

Modernising public administration will involve:

- *New approaches to service delivery* that empower citizens to play a key role in service design, delivery and innovation. While the traditional face-to-face approach will remain, particularly for highly complex services, the aggressive use of information technology makes it possible to maximise opportunities

for users to take ownership of service delivery functions.

- *New approaches to public policy* through citizen engagement. Citizen engagement elevates public discourse, expanding the sphere within which citizens can make choices. It encourages debate, leading to broader consensus on government initiatives. It enhances the legitimacy of government action with other governments in international forums.<sup>7</sup>
- *New systems of accountability* to balance the impact of rules and constraints to pursue policy goals, with reasonable risk-taking to innovate and improve performance, and with the obligation to maximise the achievement of results for citizens. The emerging focus on results is important. No organisation should be judged as successful if the cost burden of required compliance is at the expense of achieving results or exceeds the overall benefits to society.
- *New forms of accountability to citizens:* Public reporting on the achievement of societal goals based on evidence, comparative analysis, peer review and benchmarking with countries of a similar level of development, would elevate the public discourse and enrich the current system of accountability for the exercise of power.
- *Network management* across agencies as a complement to vertical authority


and accountability structures, supported by common information management systems transforming individual knowledge into the shared property of the collective and encouraging system-wide innovation.

- *Partnership and shared governance* as the management model of non-hierarchical relationships. Partnerships require lead time upfront in order to define common goals, purpose, decision-making mechanisms and roles and responsibilities. They also require sustained commitment, respect and trust.

None of these were trademarks of the Classic model.

## CONCLUSION

As Donald Kettl has noted, “Public administration is in trouble because it does not match up well, in theory or in practice, with the problems it must solve.” He goes on to summarise the challenge very well, “Public administration without a guiding theory is risky; administrative theory without connection to action is meaningless. That dilemma is the foundation of a genuine intellectual crisis in public administration.”<sup>8</sup>

It is time to reclaim public administration and refashion it for a new century. 

The Honourable Jocelyne Bourgon served as President of the Canadian Centre for Management Development from 1999 to 2003. Her work led to the creation of the Canada School of Public Service. She became President Emeritus of the School in 2003. From 2003 to 2007, Ms Bourgon served as Ambassador to the Organization for Economic Cooperation and Development (OECD), where she played a key role on behalf of Canada in guiding OECD reforms. Since 2007, she has been Distinguished and Visiting Professor Public Administration and Public Service Reform, University of Waterloo and Distinguished and Research fellow at Center for International Governance Innovation. Ms Bourgon also serves as special advisor to the Privy Council Office and she pursues her work in support of the public service and public service reform as President Emeritus of the Canada School of Public Service. As an eminent expert in governance and public sector reforms, Ms Bourgon provides advice to various Governments around the world.

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 Opinion

B. Guy Peters

# Not Just Service Delivery

**What does it really mean for public servants to improve their interactions with citizens and customers?**

In the past several decades, governments have become increasingly aware of the importance of good service delivery to their citizens. Faced in some cases with manifestly poor quality services, as well as with numerous claims of inefficiency and ineffectiveness, leaders in the public sector have invested a great deal of energy in improving the quality of public services. This improvement has come about in part by outsourcing services, following the adage of the New Public Management that governments are better at steering than at rowing. For those public services that have remained directly in the public sector, however, quality has been a major concern and there have been numerous efforts to make those services both more efficient and more satisfactory for the public.

The evidence from service delivery efforts in the public sector has been encouraging. First, when the quality of services is measured, they tend to compare favourably with the quality of services delivered in the private sector.<sup>1</sup>

This relatively favourable ranking on performance has actually been evident for some time, although ideologies and anecdotal evidence have tended to emphasise the failures of government. Second, the quality of public services appears to be, in many instances, improving and, in some cases, improving significantly. Programmes administered by governments—for example education, social services, environmental protection—are often difficult to deliver because they involve complex chains of causation and delivery, but the evidence is that they are doing better. The final piece of good news is that the majority of public employees are interested in providing high quality public services and are motivated to invest their time and energy in making government work better. Further, a good deal of this motivation appears to be intrinsic, rather than the product of manipulating economic rewards and sanctions.

The objective evidence that has been collected about the quality of service

delivery is important, but we should also be cognisant of the more subjective aspects of public programmes. In some ways, these subjective elements may be as important, and in some instances more important, than the more objective elements of quality. Providing public services is a crucial interface between state and society and, as such, provides a mechanism for promoting more positive linkages between citizens and their governments. The basic argument then is that for political and governance purposes, *how* services are delivered is important—just as it is important *what* services are delivered.

Most citizens, especially in the large, complex political systems that characterise the contemporary world, have relatively little direct contact with their political representatives. Citizens may vote for those representatives, and are entitled to some representation, but the direct linkage is weak and there are relatively few face-to-face interactions between citizens and their political representatives. There are in most societies many, many more interactions between public servants and the public. These public servants may be the police officer, the schoolteacher, the tax collector or the postal clerk, but the interactions with their clients of all these officials do matter in creating an image of the public sector. Thus, for most citizens a significant

portion of the image of government that they have may be created by their interactions with public servants.

The stress that has been placed on service delivery has engendered a good deal of measurement of the quality of public services and the performance of the public sector. Again that emphasis on the objective performance of the public sector is welcome and is important for defining the accountability of the public sector. Unfortunately, however, there is less emphasis on the subtler but equally important subjective elements in the contact. To some extent, that is measured through the “customer satisfaction” element of quality, but those measures may leave out important elements about interactions.

*How services are delivered is important—just as it is important what services are delivered.*

This emphasis on the importance of interactions between the public service and citizens should be considered in the context of the discretion exercised. Public servants, despite exercising authority delegated by law, do have considerable discretion when dealing with their clients. They can choose to enforce the law in

minute detail or they can choose to be more helpful and supportive of their clients. There are instances in which the public servant must, and should, follow the letter of the law, but there are also instances in which some use of discretion can help not only the citizen but also the image of government. This discretion can therefore help to define what government is to the ordinary member of the public, defining government as being benevolent or bureaucratic, positive or punitive.


This discussion leads to an important point about the semantics involved in delivering public services, a point that has become more apparent as the ideas of the New Public Management (NPM) have come under greater scrutiny by both practitioners and by academics. Much of the language of NPM has been about serving the customer of the public sector. This phrase contains some important advice about how to improve the objective quality of the services provided, but it may mislead in terms of the politics of service provision. The public stands in something more than an economic, customer role relative to government. Members of the public remain citizens and therefore are entitled to be treated as individuals who are at once the subject and the object of public policy.

In addition to the creation of images about the public sector, the interactions between public servants and the society

can also be an important locus for fostering democracy. Going back at least to the now ancient work of *The Civic Culture*,<sup>2</sup> the creation of administrative efficacy was seen as important to building more participatory political cultures. However, the role for the bureaucracy in building democratic participation extends beyond making the public more efficacious. The public service also can be a means of helping to build civil society by providing a locus for the inputs from those social actors. Particularly when the representative dimension of politics is not well-developed, the openness of the bureaucracy to demands and suggestions from society can provide for at least some of that representation.

**The public has more than an economic, customer role for government. They remain citizens who are at once the subject and the object of public policy.**

In summary, the delivery of public services is more than the mechanical completion of certain mandated activities on behalf of the public; it is also a central political activity linking the public with their government. Public servants are central to this linkage and therefore are

in the rather difficult position of having to balance demands for responsiveness to the citizens with demands for responsibility to law, and to their political and administrative leaders. Phrased somewhat differently, public servants must be aware of serving their immediate clients as well as serving the public in general. 

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Ng Wee Wei

# Creating and Measuring Public Service Value

**How can we measure the public sector's bottomline?  
Accenture's Ng Wee Wei advocates an outcome-oriented  
approach based on the concept of public value.**

## THE DILEMMA OF PUBLIC SERVICE

Governments around the world are putting pressure on their public managers to improve service quality and deliver efficiency at the same time: to do more, for less. After all, managers in the private sector face similar pressures and they are expected to deal with them as a matter of routine. Why should the same not be asked of their public sector counterparts?

The reality, however, is that there are such significant differences between what

private and public sector organisations produce that simplistic comparisons of this kind are very misleading. Private sector organisations exist to create value for their shareholders. For managers in the private sector, organisational performance is measured rather straightforwardly and objectively (but not exclusively) in terms of financial profit or loss.

Instead of profit or loss or shareholder value, however, public service organisations aim to generate public value: a direct and



not always immediate benefit to service recipients and the wider community of citizens, businesses and taxpayers. That value—be it education, public safety, health and other aspects of the public good—can be difficult to identify and causally relate to service delivery.

Likewise, what constitutes value can be different and, at times, conflicting for different stakeholders. Public value measurement is not at all straightforward or objective. The question then becomes: For social security, health, education and many other government services that many of us depend on, how can we objectively measure performance, given that there are few objective metrics that everyone can agree on?

This is the heart of a dilemma that affects the work of a large community of politicians, policymakers and public managers.

## THE SHIFT FROM OUTPUTS TO OUTCOMES

One can easily measure what goes into a system (inputs), what happens within the system (processes) and what comes out of the other end (outputs). For public service, however, the results that politicians, managers and citizens actually experience (such as changes in health or public safety for example) are more subjective and therefore less easy to measure by conventional methods.

In education, an output may be the number of children passing a particular examination. Yet most of us may be more inclined to focus on a broader set of outcomes, which could include the ability of children to go on to further education, their long-term employability and even some aspects of their well-being, expressed in terms of healthy behaviours and attitudes. Measuring these outcomes is a lot less simple than checking grades, but would give us a better sense of how successful children's experience of education has been for them and, therefore, of the value that the education service is delivering to society and its taxpayers.

“Public value,” a concept invented by Harvard Professor Mark Moore in the 1990s, is the cost-effective application of public money to improve social outcomes.<sup>1</sup> A focus on the social outcomes (not to the extent that we lose sight or control of inputs, processes and outputs, but as the core of public service accountability) can have significant effects on public service delivery and on the creation of public value.

For example, a new management team in the Ontario Ministry of Health and Long Term Care, responsible for healthcare in Canada's most populous province, recently found that they were measuring more than 2,000 performance indicators and still could not say whether

the services for which they were responsible were sustainable and moving in the right direction. The mass of output measurements they routinely gathered, such as numbers of hospital admissions or numbers of surgical procedures for example, did not tell them what they needed to know concerning the health outcomes for individual patients and society as a whole.

We need to be aware that people in society have different and sometimes conflicting ways of relating to these services.

As part of an innovative programme to focus on results, the team met with clinicians, managers, academics and health industry experts across the system to reduce what was being measured to less than 30 core indicators that were closely related to health outcomes. This enabled focused and accurate measurement, and provided the basis for a performance measurement system that is now organised under such key headings as health status, healthy behaviours and illness avoidance, patient-centeredness, ease of access and sustainability—all weighed against the effective use of resources. This approach has also enabled better decision-making, more effective

planning and closer alignment between healthcare policy and the public value created for patients and citizens.

## CHALLENGES AND OPPORTUNITIES IN CREATING PUBLIC VALUE

Accenture advocates defining and measuring public value as the fundamental basis for more effective public service management and high performance in government organisations. In doing so, however, it is recognised that there are a number of complex issues—beyond definition and measurement themselves—that need to be addressed.

First, better public service performance is inevitably rooted in sound definitions of the outcomes to be achieved. While we may be able to agree on the general principle of measuring public services by the public value they create, we also need to be aware that people in society have different and sometimes conflicting ways of relating to these services. As a result, in any one public service organisation, there are multiple dimensions to the outcomes it produces, such as:

- the needs of the individual being served;
- the collective needs of society;
- the concerns of taxpayers; and
- the authorising directives of political leaders.

As consumers of healthcare, for example, people usually want no expense

spared on the treatment they or their families receive. But as taxpayers, they are frequently reluctant to pay the price of the quality they demand. Politicians want to have a profound effect on the long-term well-being of their constituencies, yet short-term pressures often require them to demonstrate rapid progress on matters that may not be susceptible to quick fixes. This can emphasise producing short-term results rather than improvements in social outcomes, which take longer to materialise.

There is much scope for conflict, with individuals changing their viewpoint depending on their needs and concerns at the time.

In the US State of Arizona, for example, the Department of Revenue explicitly tried to reduce the administrative burden on taxpayers by introducing faster and more convenient customer services. Yet its emphasis on reducing taxpayer burden actually resulted in a reduction in revenue—in one of the fastest growing states in the US. While the State could hardly withdraw its improved customer service to taxpayers, it had an obligation to maximise voluntary compliance and revenue collection. A new Director used outcome measurement techniques—in this case, Accenture's Public Service Value model—and found that the net result of current administrative and budget deployment was an erosion of public

value. By rebalancing staff efforts and placing greater emphasis on compliance activities, while simultaneously retaining high levels of support to taxpayers, the Department was able to maintain good relations with taxpayers and increase tax receipts in line with the State's economic expectations.

This example illustrates that the different needs of stakeholders mean that a great deal of detail must be taken into account when organisations define their intended outcomes. For example, improving health service performance should include not only action around improved access to healthcare, but also preventive care and education. In addition, the combined effects should be measured in longer-term improvements in the community's health, such as reductions in the incidence of heart disease or diabetes.


Similarly, crime reduction could involve putting more officers on the street, but it should also include visible reassurance about the effectiveness and professionalism of the police, ensuring that people feel less threatened by crime, and, over the longer term, fostering closer trust and collaboration between police forces and the citizens they serve. This principle was put into practice very effectively in UK with the Police Community Support Officers (PCSOs) scheme (see box story on the next page). In this

## ACHIEVING OUTCOMES RATHER THAN OUTPUTS

Rather than hiring more police officers, the leaders of some local police forces in England and Wales focused on the outcome that demanded more staff in the first place: reducing fear of crime.

They proposed a new initiative: the establishment of Police Community Support Officers (PCSOs). PCSOs are not fully empowered police officers, which means that they can be recruited and trained faster, put to work in much less time and, of course, represent a lower burden on police budgets. Yet they complement regular police in vital ways. Not only do they provide visible reassurance to the public, they are especially useful in gathering intelligence,

because they are seen by local people as approachable and closely attuned to community attitudes. PCSOs also allow police commanders to make more effective use of their regular police officers and deliver a more effective and efficient range of services as a result.

Since its launch, the PCSO initiative has contributed to significant reductions in crime in London. The use of PCSOs in the capital and in the other pilot sites has proved so successful that the innovation has now been expanded across all the local forces England and Wales, with the aim of having 16,000 PCSOs serving the public by 2008. – Ng Wee Wei 

case, the focus on intended outcomes challenged conventional thinking about how best to deploy public safety resources. The solution transformed the policing workforce in UK to meet a wider set of duties and, as the data have shown, helped reduce fear and crime in the communities in which they serve.

Ultimately, organisational leaders need to agree, preferably in consultation with their stakeholders, on the right


mix of outputs and outcomes and of short-term and long-term objectives. They need to define an adequate and acceptable way of measuring and linking these goals and objectives to the productive capabilities of their organisations. They need to balance their organisation's own efforts in an attempt to counter-balance the different and competing interests and timeframes of all of their stakeholders.

## UNDERSTANDING HOW TO CREATE PUBLIC VALUE

The concept of value creation is at the heart of what private sector executives do as a matter of course. They add value by combining labour and raw materials through manufacturing processes, for instance to produce cars, or by using skills and knowledge, say, to increase returns to pension funds or to design more appealing and functional buildings. The added value is the margin that businesses take from what we are willing to pay for their goods and services.

Creating value in the public sector is very different. Public value stems from a balance between the outcomes delivered by the service agencies and the public money spent to achieve them. Learning how to maximise that ratio—outcomes produced for tax money spent—lies at the heart of high-performance government. The tensions between consumers, citizens and taxpayers that we have discussed compound the issue. Furthermore, because the desired outcomes of different public service organisations can be so different, comparative learning between organisations can be difficult and sometimes inappropriate. Yet, these are the challenges that have to be tackled if we are to learn about how to create public value: how different stakeholders define value and how, through public management and service delivery, we can

improve outcomes for them all cost-effectively.

The challenges ahead remain enormous, but the clear focus on social outcomes and a mission of public value creation provide a new direction for public service agencies, for those that manage them and for the political leaders that authorise and support them. The potential payoff is high performance in government through dramatic improvements in public service delivery. Ultimately, what we gain is a better society for us all. 

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### NOTE

1. Moore, Mark C., *Creating Public Value: Strategic Management in Government* (Cambridge, MA: Harvard University Press, 1995).



Nicholas Mai, Tang Tee Sing and Yeo Yaw Shin

# Leveraging Networks for Public Service Delivery

Are we on the brink of a golden age of public service delivery, rich in cross-sector partnerships and collaborative networks?

## **NEW CHALLENGES AND OPPORTUNITIES IN A MASSIVELY CONNECTED WORLD**

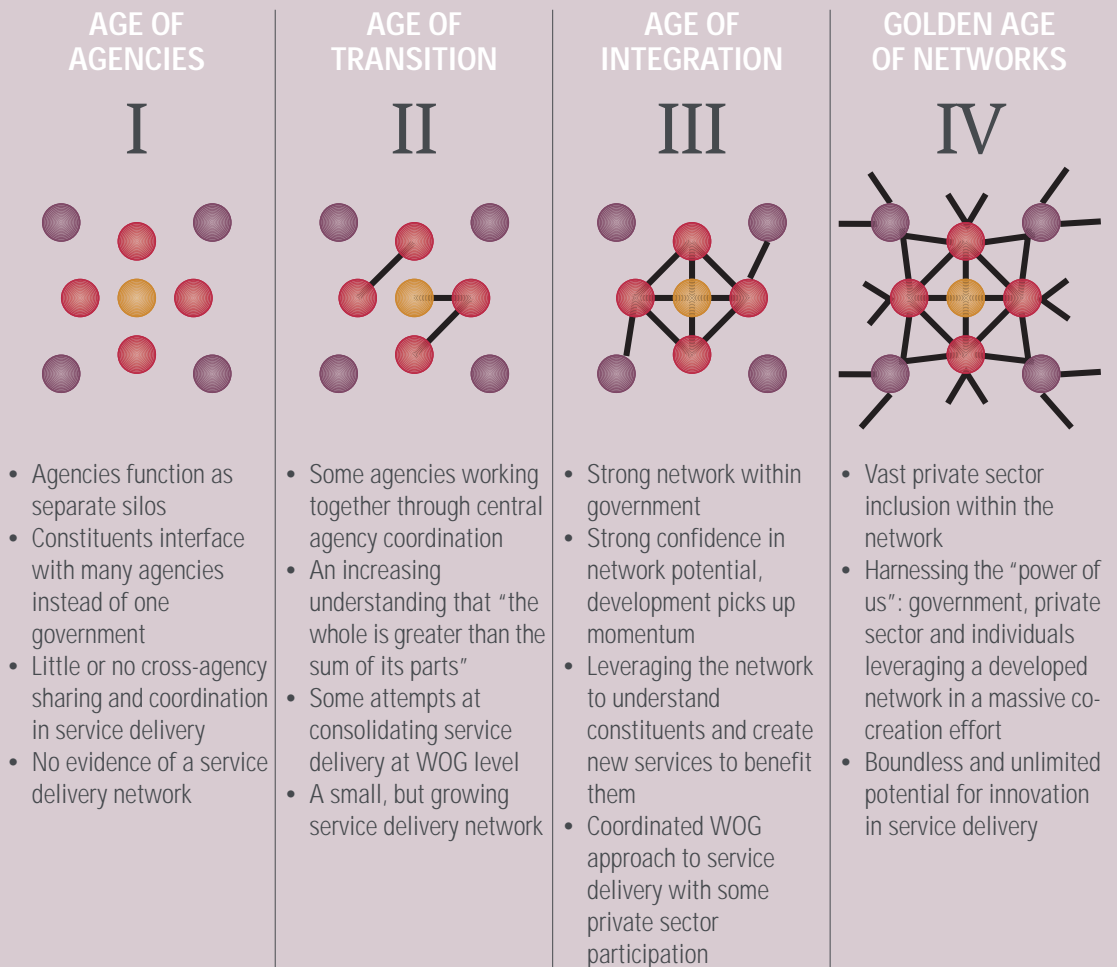
While technology has enabled many advances in service delivery today, technological progress is also driving rapid change in a massively-connected world, presenting new challenges and opportunities for public service delivery.

The Singapore Government has had to tackle challenges associated with the rising expectations of a more affluent population. The development and

proliferation of Web technologies has also led to a more informed citizenry which compares the quality of services provided by the Government to the best available services offered by the private sector worldwide. Every e-store has to match what Amazon can offer, and every search engine is measured against Google's capabilities.

In fairness, the Singapore Government has been a leader in the infocomm technology revolution. Our public service delivery network has moved progressively

## FIGURE 1. EVOLUTION OF PUBLIC SERVICE DELIVERY NETWORK—A MODEL



Source: Ministry of Finance, *Managing for Excellence Directorate*

The model shows how networks within a government mature from the Age of Agencies with very few, if any, networks to the Golden Age of Networks, when the public and private sectors are all interlinked in a well-connected network.

By providing leadership and encouraging mindset changes, a government can actively nurture and grow its network maturity from Ages I to IV. Doing so increases

the participation base which the government can draw on.

Subsequently, by leveraging the built-up networks, a government can tap on the resources and imagination of many participants to fulfill the needs of the constituents.

By actively cultivating and leveraging the network, a government can bring out its full potential to deliver maximum value for public service delivery.



up the curve of network maturity (Figure 1) over the last two decades. Today, we are at a transitional stage of network development in public service.

During the initial waves of computerisation in the 1980s and 1990s, the Public Service made aggressive attempts to adopt the new technologies for both internal and external efficiency gains. About 1,600 online public services were introduced to provide round-the-clock access to government information and transactions, some to much acclaim.

However, despite being a significant step forward in terms of accessibility and convenience, this initial wave of computerisation did not change the fundamental approach to public service delivery; with some exceptions, these e-services were largely electronic equivalents of existing counter or form-based services already provided by respective agencies.

Nevertheless, several agencies have embraced the possibilities of service delivery at the Whole-of-Government (WOG) level. Cross-agency initiatives, such as the Online Business Licensing Service (OBS) and integrated various services from different agencies have already dramatically improved entire business processes for the public. However, such efforts have been the exception rather than the norm for electronic public service delivery to date.

Going forward, it is clear that Singapore will face increasingly complex and multi-

faceted issues, such as an ageing population, that cut across the domains of different agencies and are beyond the scope and capabilities of any single agency to resolve.

In the past, we were only able to effectively address individual aspects of multi-faceted issues. Today, however, “while hierarchies are not vanishing, profound changes in the nature of technology, demographics, and the global economy are giving rise to powerful new models of production based on community, collaboration and self-organisation rather than on hierarchy and control”.<sup>1</sup> The present challenge is whether we can apply these new models of production to provide new solutions, by leveraging the power of networks of participants.

## WHAT IS LEVERAGING NETWORKS?

Google Maps is just one of many examples of how organisations at the forefront are leveraging the immense potential of networks. Wikipedia, with more than two million articles<sup>2</sup> as of end 2007, taps on the collective contributions of thousands of Internet users. The Tactical Ground Reporting System<sup>3</sup> is revolutionising the war in Iraq, providing a large data trove of information that army personnel can retrieve and contribute to—valuable information that is saving lives.

What do these examples have in common?



**Think Platform:** They do not seek to solve problems directly, but rather, leverage the network's latent ability to solve problems by tapping on the imagination of many. Instead of trying to provide a customised product for every conceivable purpose, Google transformed Google Maps from a product into a platform to provide the answers to the myriad needs of millions of users.

**Empower Players:** Users in the network are empowered by these platforms to transform their innovative ideas into reality. From passive users, they can now become active contributors. With empowerment come creative solutions and boundless possibilities.

**Inspire Participation:** Wikipedia broke the monopoly that traditional encyclopaedias have on authoritative knowledge, by empowering participants to contribute (or verify) detailed information on topics they are passionate and knowledgeable about. It gave ordinary users a reason to participate in a shared project towards a larger goal.

Imagine this concept applied to public service delivery. By leveraging networks, we can tap on the resourcefulness and creativity of the public and private sectors as well as individuals to improve upon existing public services or delivering new ones.<sup>4</sup> We can harness the “power of us” by trading ideas, best practices and knowledge within the network, and we can bring out new ways of thinking and

innovation to benefit all. This could lead to new levels of public service delivery, made possible by the very networks that we are serving. Leveraging networks is, in short, a new approach to problem-solving public issues.

Tackling the challenges that public service delivery will face by leveraging networks is about turning these challenges on their heads, and transforming them into opportunities for people to innovate and develop new ideas. It is about harnessing the ideas of the people, and allowing these people to realise their ideas. We need to start thinking about how to leverage networks, both within and outside of the Government.

## LEVERAGING INTERNAL NETWORKS— INTEGRATED GOVERNMENT

The first step is to start from within by developing a truly integrated government to elevate the public service in terms of its network maturity (Figure 1). An integrated government achieves two goals for public service: a more holistic understanding of the different areas of constituents' needs; and better capabilities and coordination among agencies to deliver cross-agency services. There are three main building blocks:

**Create an Environment for Agencies to Work Together:** An integrated government is about agencies working together. However, this does not come

naturally as the concept of integrated government is counter-intuitive to agencies which have been operating in silos traditionally. Some of these structural impediments can be overcome by providing funding support where it is most needed, and by promoting shared systems and greater sharing of information. For instance, the SOEasy project will provide a robust, connected and agile infocomm environment for Singapore's public officers to work together as One Government, while the iPower Intranet will empower public officers to share ideas and collaborate with each other more spontaneously.

**Advance Leading Ideas:** To integrate government, we need to develop new processes to work across boundaries. These new processes should either increase the efficiency and effectiveness of our public services through multi-agency collaborations, or address gaps in the Government's capabilities. In Singapore, regular multi-agency platforms such as the iGov Council and Social Forum are becoming important generators of new ideas. Other initiatives arise from dialogues with ministries during the budget cycle and by studying the best practices of other countries and organisations.

**Turn Ideas into Reality:** To realise real benefit, we need to encourage agencies with the right expertise to lead

and implement good cross-agency ideas. For this to happen, the Ministry of Finance (MOF) is developing a "Centre of Expertise" framework. For each idea, MOF aims to encourage a natural agency to take up a leadership role. These lead agencies will be recognised as Centres of Expertise, and will coordinate with different agencies to provide the expertise necessary to implement the ideas. If required, MOF will be a strategic partner in execution, helping to bring agencies together by providing a Whole-of-Government perspective.

New processes should either increase the efficiency and effectiveness of our public services through multi-agency collaborations, or address gaps in the Government's capabilities.

For instance, the Monetary Authority of Singapore (MAS), the Infocomm Development Authority (IDA) and MOF are working hand-in-hand to bring about the next wave of e-payment innovation and adoption. Each party brings their respective competencies to the table: MAS as the financial regulator, IDA as the technical expert and MOF as the catalyst for innovative public services. Together, the three agencies hope to spur the next

wave of payment innovation, such as allowing Singapore residents to pay for purchases with their hand phones, unlocking new opportunities for public services.

In the new world of Wikipedia, citizens are not satisfied with just being consumers—they can and want to participate and have a say.

By achieving an integrated Government, we build up our internal networks of resources and ideas, as well as improve our ability to leverage these networks to develop and deliver new public services.

### **LEVERAGING EXTERNAL NETWORKS— CO-CREATION WITH THE PRIVATE SECTOR**

Leveraging internal government networks is just the beginning. While our current efforts focus on empowering agencies and public officers to leverage internal networks, we can reap the full benefits of leveraging networks only if we extend the concept beyond the Government. This will propel us towards Stage 4 of the maturity framework (Figure 1).

The next milestone will be to look outside of the public sector to harness the potential of a much wider network. Proctor & Gamble's success with the Connect and Develop programme offers

us a glimpse of the possibilities. As *BusinessWeek* described it, P&G's method was to "Embrace the collective brains of the world. Make it a goal that 50% of the company's new products come from outside P&G's labs. Tap networks of inventors, scientists, and suppliers for new products that can be developed in-house."<sup>5</sup>

This approach stands in stark contrast to the present, where the Government is used to being in the driver seat and providing all the answers. In the world of Britannica, our Government can afford to be the dominant supplier of information and services; but in the new world of Wikipedia, citizens are not satisfied with just being consumers—they can and want to participate and have a say. It is essential that the Government look for ways to actively involve the private sector and individuals in creating and delivering new public services.

This concept of a government leveraging on a wider network to develop new ideas well beyond its in-house capabilities has been put to good use elsewhere. The United States Defense Advanced Research Project Agency (DARPA) regularly engages the defence industry network. DARPA explains the challenges they face in specific technological areas to interested organisations who then embark on their own research and development projects—

the fruits of the research are incorporated into the US military where suitable.

In the long term, we envision a government that, instead of being the sole provider of public services, sets and referees the rules in an ecosystem which allows new participants, whether private sector or individuals, to freely innovate and create value-added services on top of or even superseding existing public services. Government services and data will be made available, where possible, in a new way so that businesses and individuals can re-use them to develop innovative “mash-ups”. This cross-sectoral network of “public-private governance” will be empowered to deploy new value-added services to the public, generate ideas on how to solve complex issues and implement creative solutions.

How successful we are at leveraging networks will depend on how well we can encourage spontaneous and unplanned “partnerships” to proliferate, and nurture a culture that can tap on it.


However, this path is not without its challenges. We will need to grapple with issues that include information security, accountability and privacy. How do we prevent unauthorised access and usage?

How do we ensure that businesses and individuals use government systems and data responsibly? And how do we balance all these against issues such as privacy and economic viability? These are complex issues that will pose immense challenges. However, the potential rewards are so great that we cannot afford to ignore the possibilities.

### A NEW PARADIGM

As we shift towards a new paradigm of leveraging networks, there are new questions that need to be asked: How can we create these networks? How can we leverage them to deliver maximum value to our constituents? How successful we are at leveraging networks will depend on how well we can encourage spontaneous and unplanned “partnerships” to proliferate, and nurture a culture that can tap on it. It is both chaotic—in the sense it is unpredictable and spontaneous—yet orderly, in that it is self-organising and constructive. That is the beauty behind leveraging networks.

For this paradigm shift to succeed, the public sector needs to recognise the remarkable potential behind the ability to harness the collective knowledge and expertise of various players in a network, both internally within the public sector, and externally

in the private sector and the people we are serving. However, driving change towards this new wave is much more difficult than in earlier waves of public service change, as it requires a shift in fundamental government culture and values: from “mandate” to “collaborate”, from “my turf, my responsibility” to “let’s work together”, and from “service delivery” to “value creation”. With clear commitment and a persistent call for change, this new era of public service can happen, with benefits and opportunities for all. 

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#### NOTES

1. Don Tapscott and Anthony D. Williams, *Wikinomics: How Mass Collaboration Changes Everything*, 2006
2. *Wikipedia: Size of Wikipedia*, [http://en.wikipedia.org/wiki/Wikipedia:Size\\_of\\_Wikipedia](http://en.wikipedia.org/wiki/Wikipedia:Size_of_Wikipedia)
3. Talbot, David, “A Technology Surges”, *Technology Review*, March/April 2008, <http://www.technologyreview.com/Infotech/20202/?a=f>
4. While leveraging networks call for partnerships, it is fundamentally different from the cross-agency initiatives and public-private partnerships that we are familiar with. Instead of bringing a few nodes in the network together, it is about tapping on the collective resources of all the nodes in the network. It is about constructing a business model that allows unplanned but effective partnerships to take place spontaneously across the network.
5. “The World’s Most Innovative Companies”, *BusinessWeek*, 24 April 2006, [http://www.businessweek.com/magazine/content/06\\_17/b3981401.htm](http://www.businessweek.com/magazine/content/06_17/b3981401.htm)



Karen Wong

# Reinventing Singapore's Electronic Public Services

**Building on its acclaimed online public services, Singapore is developing the next generation of truly interactive government technologies.**

**I**n 1997, Singapore took bold steps to make public services available through electronic means. Electronic public services were seen as a strategic initiative to enhance Singapore's readiness to plug into an increasingly complex and networked global economy, and as a means to achieve dramatic improvements in service delivery standards, by harnessing the efficiencies and synergies of emerging information and communications technology. By the end of 2001, more than

1,600 public services were offered online and made accessible through the Internet 24/7, from anywhere in the world. Guided by three e-Government Master Plans,<sup>1</sup> Singapore has built up significant understanding and capabilities within the Public Service to leverage electronic service delivery channels to its advantage.

In the past decade, the Public Service has won many international awards and accolades for its e-Government efforts, and is even beginning to export its

# Milestones in our e-Government Journey

PERIOD	GOVERNMENT INFOCOMM PLANS AND THEIR ACHIEVEMENTS
1980–1999	<p>Civil Service Computerisation Programme</p> <p>Phase 1: Improvements to public administration through the effective use of IT</p> <ul style="list-style-type: none"> <li>• Automating traditional work functions</li> <li>• Reducing paperwork and clerical staff</li> </ul> <p>Phase 2: “One-Stop, Non-Stop” services to public and businesses</p> <ul style="list-style-type: none"> <li>• Data sharing across agencies, e.g., People Hub, Establishment Hub, Land Hub</li> <li>• Extending government systems to private sector, e.g., TradeNet, MediNet, LawNet</li> </ul> <p>Phase 3: Supporting the vision of “Singapore—The Intelligent Island”</p> <ul style="list-style-type: none"> <li>• Consolidation of systems in a Data Centre</li> <li>• Implementation of Civil Service-wide network infrastructure</li> </ul>
2000–2003	<p>e-Government Action Plan I</p> <ul style="list-style-type: none"> <li>• Focused on enhancing interactions and capabilities in three components: Government-to-Citizens (G2C), Government-to-Businesses (G2B), Government-to-Employees (G2E).</li> <li>• G2C: Provided citizens with easy and 24/7 access points to government services; built central infrastructure and common facilities (data exchange, e-Payment, authentication) that allowed government agencies to offer e-services to citizens quickly and efficiently.</li> <li>• G2B: Established easy and convenient online access to government information and services that translates to savings in time and money for businesses. This supports the national drive to promote a pro-enterprise environment to facilitate business growth in Singapore.</li> <li>• G2E: Laid foundation for a Networked Government; equipped public sector officers with the relevant skills and expertise to operate in an environment that was increasingly collaborative, customer-centric and consultative.</li> </ul>
2003–2006	<p>e-Government Action Plan II</p> <ul style="list-style-type: none"> <li>• Focused on three desired outcomes: Delighted Customers, Connected Citizens, Networked Government.</li> <li>• Delighted Customers: Built on wealth of e-services implemented for citizens—further enhanced on usability and convenience of access. Focused on building e-services that transcend organisational boundaries.</li> <li>• Connected Citizens: Promoted active citizenry and engaged citizens as stakeholders in introduction of government public policies through online consultations; built communities by leveraging on online channels, thereby fostering greater trust and confidence in Government.</li> </ul>



PERIOD	GOVERNMENT INFOCOMM PLANS AND THEIR ACHIEVEMENTS
2003–2006	<p>e-Government Action Plan II (continued)</p> <ul style="list-style-type: none"> <li>• Networked Government: Built foundation pieces to achieve “Many Agencies, One Government” experience for citizens and businesses; built infrastructure to achieve agility, effectiveness and efficiencies in government functions; set guidelines and measures to protect information and ICT assets in highly networked government environment and also due to increased Internet interactions between Government and citizens/businesses.</li> </ul>
2006–2010	<p>iGov2010 Masterplan</p> <ul style="list-style-type: none"> <li>• The move from using “e” in earlier e-Government masterplans to “i” in iGov2010 symbolises a shift in focus from the means (electronic) to the outcome (Integrated Government). It highlights the importance of establishing an Integrated Government—the underlying foundation to serving citizens and customers better. It emphasises the opportunity to move from just integrating services to integrating our processes, systems and information.</li> <li>• Four strategic thrusts formulated to achieve iGov2010 vision of Integrated Government: <ul style="list-style-type: none"> <li><b>Thrust 1</b> “Increasing Reach and Richness of e-Services”: Programmes implemented to acquire a deeper understanding of our customers, to allow Government to anticipate their needs and deliver proactive, responsive e-services, through their preferred electronic channels. Initiatives started to integrate processes and services across organisational boundaries, including those of private sector entities, with the aim of minimising the number of interactions between customers and Government in completing their transactions. Set ups designed to make it easy and convenient for citizens to transact with Government, regardless of whether he or she has the means or know-how to do so, via CitizenConnect Centres.</li> <li><b>Thrust 2</b> “Increasing Citizens’ Mindshare in e-Engagement”: Build on earlier efforts to engage citizens in public policy-making and reviews through consultation, and setup of online communities to promote greater bonding amongst citizen groupings, and citizens with Government.</li> <li><b>Thrust 3</b> “Enhancing Capacity and Synergy in Government”: Work started on development of the Singapore Government Enterprise Architecture (SGEA), a blueprint to identify potential business areas for inter-agency collaboration and set data and application standards to facilitate sharing of information and systems across agencies.</li> <li><b>Thrust 4</b> “Enhancing National Competitive Advantage”: Leverage iGov efforts to provide a strategic competitive advantage for Singapore at industry, national and international levels. At industry level, government agencies collaborate with the infocomm industry in the co-creation, development and export of iGov solutions. At the national level, government agencies play active roles, working with industry players in the use of infocomm to transform various economic sectors of Singapore. At international level, our Government partner like-minded countries in the development of infocomm initiatives. For instance, Singapore leverages its infocomm experience to accelerate the development of cross-border infocomm initiatives and proactively share our experience and provide consultancy to countries keen on building up their own versions of e-Governments.</li> </ul> </li> </ul>



# Achievements

KEY INTERNATIONAL AWARDS	YEAR															
Accenture e-Government Leadership Study	2nd position (2000–2004) 3rd position (2005) 1st position (2007)															
World Economic Forum's Global Information Technology Report	1st position (2002–2004)															
United Nations e-Government Readiness Report	Ranking amongst 192 UN member states: <table border="1"> <thead> <tr> <th></th> <th>e-Participation</th> <th>e-Readiness</th> </tr> </thead> <tbody> <tr> <td>2003</td> <td>13th</td> <td>12th</td> </tr> <tr> <td>2004</td> <td>4th</td> <td>8th</td> </tr> <tr> <td>2005</td> <td>2nd</td> <td>7th</td> </tr> <tr> <td>2008</td> <td>10th</td> <td>23rd</td> </tr> </tbody> </table>		e-Participation	e-Readiness	2003	13th	12th	2004	4th	8th	2005	2nd	7th	2008	10th	23rd
	e-Participation	e-Readiness														
2003	13th	12th														
2004	4th	8th														
2005	2nd	7th														
2008	10th	23rd														
Stockholm Challenge Award	Winners & Finalists: <ul style="list-style-type: none"> <li>- eCitizen Portal (2002)</li> <li>- Mobile Phone Reuse Project and the PC Reuse Scheme under Empowering Persons with Disabilities (2002)</li> <li>- BizFile (2004)</li> <li>- Access to Archives Online (2004)</li> <li>- Child Care Link (2004)</li> <li>- Electronic Medical Record Exchange (2006)</li> <li>- Integrated Case Management System for Protection and Welfare of Youth, Children and Families at Risk (2006)</li> <li>- Telecare: Remote Outpatient Care Anytime Anywhere for Chronic Diseases (2006)</li> </ul>															
UN Public Service Award	Online Business Licensing Service (OBLS) for category of "Application of Information and Communication Technology (ICT) in Government: e-Government" (2005) Integrated Work Permit Online Services (WPOL) for category of "Improving transparency, accountability and responsiveness in the Public Service" (2006)															
Commonwealth Association for Public Administration and Management (CAPAM) International Innovations Awards	eCitizen Portal (MOF) (Bronze) (2000) The Enterprise Challenge (PSD) (Bronze) (2002) Child Care Link (MCYS) (Finalist) (2004) myCPF (CPFB) (Finalist) (2006)															

knowledge and expertise in electronic service delivery. This is a solid achievement that has put Singapore at the forefront of e-Government rankings worldwide. But is this enough? There is clear recognition that the rapid pace of change, a savvy generation of citizens and businesses, and the interconnectedness of public needs will put yet greater demands on the Public Service and the e-infrastructure it has put in place to deliver its core services.

### FROM ONLINE SERVICES TO INTEGRATED GOVERNMENT

Singapore's success has been due in no small part to its nimbleness and adaptability to a changing environment. Decentralisation and autonomy have enabled public agencies to be quick and decisive. But this has also brought about fragmentation, resulting in loss of systemic efficiency and economies of scale. More importantly, there could be sub-optimisation at the whole-of-government level.

This is especially pertinent given the increasingly multi-faceted and inter-related nature of public needs. The Accounting and Corporate Regulatory Authority could be very efficient in registering a new company, but the company could not start work if our telecommunications infrastructure takes a long time to wire up. In order for our trade and logistics industry to

thrive, related agencies such as the sea ports, airports, maritime authorities and customs and have to work together to maintain seamless traffic and inter-connectivity.

In the initial years of Singapore's e-Government effort, there was an urgency to make public services available online. Public service agencies were strongly encouraged to establish a presence in cyberspace—this resulted in a widespread proliferation of corporate websites, many of which carried little more than basic information about the organisation's mandate and portfolio of services. In parallel, the eCitizen Portal established opportunities for agencies in charge of related functions to offer their services as an online package for the convenience of customers. This approach was initially focused on front-end bundling of information and basic application and query activities.

However, efforts are now being made to achieve true service integration, through the redesign of business process and flow-through for related public services across different agencies. For instance, an original process might be removed or simplified, such as when another agency has already undertaken necessary steps for validation.

Also under review is the strict delineation between websites that offer government content and those that offer

commercial content. The new consumer wants to receive a range of holistic services readily from a single location, regardless of whether the service is of governmental or commercial origin; he also wants these services delivered to him on-demand in an engaging and refreshing manner, with service standards comparable to those of the best available commercial online services in the world.

Progressively, public agencies are partnering with the private sector to provide government information and services together with relevant commercial content on commercial portals. With the introduction of the Public-Private-People Integration (3Pi) approach in 2005, government projects have started looking into opportunities to collaborate across the public and private sectors in order to deliver a holistic range of services with radical improvements and synergies.

Mindef's miw.com (subsequently replaced by NS Portal<sup>2</sup>) and LTA's One.motoring<sup>3</sup> are forerunners in this effort, with government owned but privately run portals delivering trusted public services alongside rich commercial offerings of relevance to NSmen and motorists respectively. In 2006, IDA also outsourced its MyeCitizen personalised portal, allowing the private sector to bring more vibrancy into the service through introduction of useful commercial

services such as Travel Buddy and Moving House.

Government projects have started looking into opportunities to collaborate across the public and private sectors in order to deliver a holistic range of services with radical improvements and synergies.

#### THE SERVICE IMPERATIVE FOR CHANGE

Dramatic changes in the nature of public service delivery have been enabled by the Information and Communication Technology (ICT) revolution in the past decade. Yet they are not—and should not be—motivated by technological change. Instead, they have been driven and guided by a fundamental shift in the public sector's service mindset.

The traditional approach to public service delivery conceived of a single customer profile, with which the government agency interacted according to a clearly defined set of rules and accountabilities. In this “one-size-fits-all” model, any special needs were handled as exceptions to the standardised “fair treatment” provided as the norm. As public agencies embraced customer service values, they began to offer

## GROWING THE NETWORK: ISSUES AND CHALLENGES

Public-Private-People Integration (3Pi) initiatives have provided strong learning opportunities for government agencies venturing into the relatively new frontier of public service delivery through commercial portals. Some of the key challenges that public agencies have had to grapple with include:


### **Sustainability of the business model:**

In a 3Pi project, particularly one that is initiated by the Government, the choice of commercial partner(s) is vital. The chosen partner should have a clearly viable business model or the project will be doomed to failure. Several unsuccessful attempts at 3Pi projects began with the Government providing seed funding to start up the project (usually a portal business). The partner, who more often than not was selected based on technical competence and not business acumen, continued to rely on Government funding to sustain the portal business long beyond rollout. The burden to sustain the commercial portal (especially since the Government's own portal had ceased operation) outstripped the benefits that had been brought about through the 3Pi approach.

**Consumer awareness of government versus commercial content:** While government agencies are free to collaborate with their chosen private sector partner to deliver bundled services, it is necessary to

ensure that the consumer can distinguish between government content and commercial content. This is because the Government can only be accountable for its own information and services, and a clear understanding by the consumer of limits and caveats is necessary. This also posts creative and practical limitations on the ways in which Government and commercial can be combined and presented.

**Exclusivity:** The Government generally does not grant exclusivity in its engagement with commercial vendors, as it still wants to retain the option of engaging other partners. However, commercial partners frequently prefer to negotiate for an exclusive engagement, as it provides protection against competition and gives a certain assurance of business demand. In fact, some commercial partners view this as a critical success factor for the partnership to flourish.

Despite these challenges, public agencies who have engaged in 3Pi projects have gained valuable insight into business thinking, modelling and marketing. Businesses have also come to appreciate the Government's need to strike a balance between creative flexibility and public accountability. These experiences continue to reap benefits for public-private sector relations well beyond the scope of the specific project. – Karen Wong 


## BEYOND SERVICE DELIVERY

As part of the e-Government revolution, public service agencies have embarked on a series of broad initiatives in order to reap efficiency gains from streamlining and integration, and IT-enabled automation.

**Consolidating Shared Services:** Pooling shared services across different government agencies, such as human resource and finance through the Vital.Org initiative, reaps economies of scale across the public sector, while allowing Ministries to retain a high degree of autonomy in decision making.

**End-to-end servicing:** The Online Business Licensing System (OBLS) integrates the processes needed to apply a plethora of business licences. However, integration means more than just automating the application process—it means possibly doing

away with some licenses or using alternative non-licensing measures to achieve regulatory objectives.

**Standardisation and collaboration:** A new infrastructure, the Standard Operating Environment (SOEasy), is being built as a standardised ICT operating environment for the entire public sector. It will homogenise, consolidate and aggregate demand of all desktops, messaging, online collaboration tools and network environment across all government agencies, involving some 60,000 users across 73 agencies. The result will be a rich, portable and interactive environment through which all public officers can work and collaborate, regardless of their physical location in the public sector. – Karen Wong 

customised and even personalised services to differentiated groups of customers within their purview.

However, the fundamental truth of public interaction with the Government is that often, many agencies are involved even in basic activities such as buying a new house or starting a new business. Further, customers who use public services do not differentiate between different government agencies—they see

and expect the Government to operate as a seamless entity.

There is also time pressure on the Public Service to deliver on the ICT promise of ubiquitous connectivity and service on-demand. One approach is to modularise as many public services as possible, creating Lego blocks out of fundamental units of services, which can be quickly assembled in different combinations on the fly to meet diverse requests on demand.

This implies more than just the need for front-end integration of services. It also calls for the need to better share data among and across agencies—not just to reap immediate service efficiencies and synergies, but also to enhance business intelligence and customer understanding in order to understand the customer base more broadly across the public sector. This is no small feat, as it would require a review of current policies and legislation limiting agencies' ability to share data, to streamline processes, and leverage common IT systems. More subtly but just as vital is the nurturing of a whole-of-government mindset among public officers not yet accustomed to designing public services and reviewing public policies across different agencies. There needs to be clear recognition, that what the Government can achieve as an integrated whole is much greater than the sum of the individual agencies.

### TOWARDS GREATER E-ENGAGEMENT

The Public Service must remain responsive to changing needs, aspirations and circumstances of Singaporeans over time. Although Singapore was ranked as the world's first in Accenture's 2007 report on Excellence in Customer Service, the most recent UN eGovernment Survey (released in January 2008) rated Singapore unfavourably due to, amongst other things, poor showing in the e-participation


index of our citizens in public policy discussions and formulation process.

In the next generation of e-Government, electronic public services must go beyond the merely transactional. They will also involve electronic means for government to more effectively engage citizens in the formulation of public policies. Singapore has already started on this effort.

e-Government has become the primary interface between the Government and Singapore's citizens and businesses.

Since 2005, the Reaching Everyone for Active Citizenry @ Home (REACH) website (<http://www.reach.gov.sg>) has offered a series of online channels including discussion forums, online chats, blogs and emails, in order to gather public feedback as well as facilitate discussion on government policies. Once a year, REACH also organises an eTownhall discussion (using its online chat facility) to allow citizens to have real-time discussions with politicians upon the release of the Budget Speech.

It remains to be seen whether such forms of engagement are sufficient in the eyes of our citizens, as well as international bodies. What is clear, however, is that

electronic channels are no longer a niche or alternative means for delivering information and services only when it is convenient or cost-effective to do so. e-Government has become the primary interface between the Government and Singapore's citizens and businesses. It is a reality that the Public Service has to embrace. 

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Karen Wong is Director of the e-Government Programmes and Policies Division in the Government Chief Information Office, Infocomm Development Authority of Singapore. In this role, Ms Wong is responsible for leading the Division to strategise, plan and implement the iGov2010 Masterplan through a variety of public sector-wide e-Government initiatives.

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#### NOTES

1. The three masterplans are the e-Government Action Plan (2000–2003), the e-Government Action Plan II (2003–2005) and the iGov2010 (2006–2010). For details, refer to [http://www.igov.gov.sg/Strategic\\_Plans/Our\\_Journey.htm](http://www.igov.gov.sg/Strategic_Plans/Our_Journey.htm)
2. For details, refer to the NS Portal at <http://www.ns.sg>
3. For details, refer to the One.motoring Portal at <http://www.onemotoring.com.sg>



Penny Han

## Better, Faster, Cheaper: Service Transformation and Channel Migration at the Ministry of Manpower

**A successful transition to new service channels has transformed this traditional regulatory agency into an award-winning service provider.**

Public agencies around the world are under increasing pressure to do more with less. More and more are being caught in a “value squeeze”,<sup>1</sup> seeking more efficient ways to create public outcomes amidst calls for better, faster service against tighter budgets and rising customer expectations.

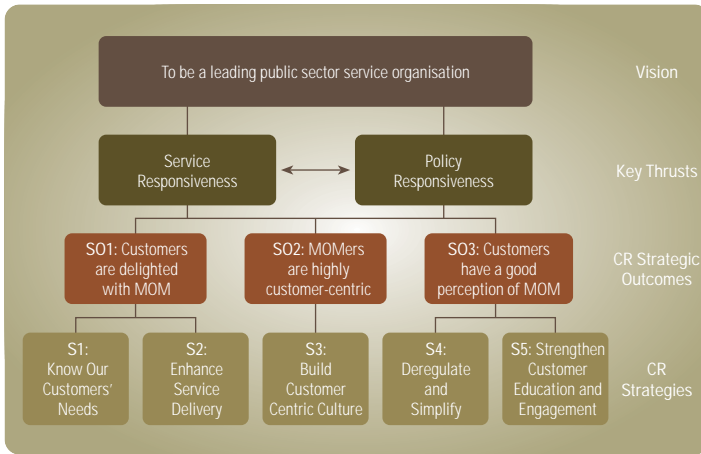
The Ministry of Manpower (MOM) faces similar pressures. It has responded by aligning its service excellence goals to the

broader MOM vision of creating a Great Workforce and a Great Workplace.

In June 2003, the Customer Responsiveness Department was created within MOM to establish a dedicated capability for strategic leadership and to drive the planning and delivery of all MOM services and customer responsiveness initiatives.

A Customer Responsiveness Framework (Figure 1) sets out the strategic outcomes



**FIGURE 1. CUSTOMER RESPONSIVENESS FRAMEWORK**

and key strategies for MOM's service vision. While MOM's core functions often have a highly regulatory component aligned with Singapore's manpower policies, the Framework defines a customer-centric service delivery approach that emphasises trust, superior communications and a positive customer experience through high quality service delivery.

### DIVERSE CUSTOMER BASE, MULTI-CHANNEL SERVICES

MOM serves a wide spectrum of customers in two principal groups: **employers** (comprising both about 100,000 businesses as well as individual employers of foreign domestic workers) and **employees** (comprising about 1.8 million locals and about 900,000 foreigners on a variety of work passes).

Employer types range from families hiring foreign domestic workers in

households, to small one-man operated businesses, to global multinational corporations. Workers comprise both local and foreign employees of varying levels of skills and educational levels.

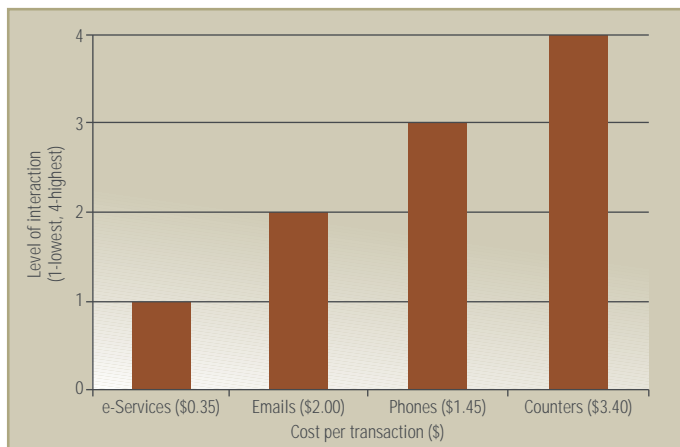
In order to meet the needs of this diverse profile of customers, MOM maintains a multi-channel service delivery strategy.

Each year, MOM:

- receives about 1.6 million e-transactions;
- assists about 72,000 e-transactions through the e-Service Lobby;
- handles about 2 million calls to the MOM Contact Centre;
- replies to about 130,000 emails;
- receives about 36 million website visits; and
- receives about 760,000 counter visits.

This is achieved with a frontline force of about 150 officers (including outsourced centres).

Due to MOM's high volume of transactions, its website and other electronic channels are configured as ideal first points of contact and self-help service modes. Electronic platforms provide customers with speed, convenience and accessibility from anywhere in the world. Furthermore, cost comparisons across various channels show that electronic

**FIGURE 2. COST COMPARISONS**

channels are the most cost-effective (Figure 2).

### CHANNEL MIGRATION: MAKING ELECTRONIC SERVICES THE FIRST AND BEST CHOICE

A number of measures have been taken to draw customers to electronic channels:

*Website revamp:* The MOM website was revamped in October 2006, taking into account feedback from a representative sample of 4,000 customers. It was reorganised into several main categories (by customer groups, and by the most frequently visited functional areas which are work passes, workplace relations, and workplace safety and health). Transactional services were also made more user-friendly, and interactive tools such as e-calculators, self-assessment tools, e-guides, e-tutorials and e-demos were introduced to facilitate self-help and self-learning.

*E-services palette, differential service:* A whole suite of e-services is provided to MOM customers, from the processing of work passes, to the reporting of workplace accidents, and services relating to employer-employee relations. One important e-service is the Work Permit Online (WPOL) system, which offers employers a world-class system for processing work

permits (see box story on page 41). Employment information such as foreign worker quota eligibility, levy and application outcomes have also been made easily accessible online.

MOM offers differential pricing and superior service standards for online channels for two of its key services, viz. WPOL and Employment Pass Online (EPOL) services. A work permit submitted online is processed by the next working day, compared to one week for manual applications. For employment passes, online applications take one week, compared to three weeks for manual submissions. For both work permits and employment passes, fees are waived for online renewals and issuing of passes, whereas there is an administrative fee of \$20 for each counter transaction.

*Contact Centre—emails and calls:* MOM's contact centre is outsourced to external vendors who are given incentives to

# Work Permit Online: A World Class E-Service

The Work Permit Online service (WPOL) is today a leading-edge e-service for Singapore businesses with a processing capacity, integrative features and efficiency standards that are unsurpassed in the world.

In order to achieve dramatic improvements in transaction time, over 50 rules, procedures and requirements were reviewed in the development process, and back-end integration between agencies was exploited where possible.

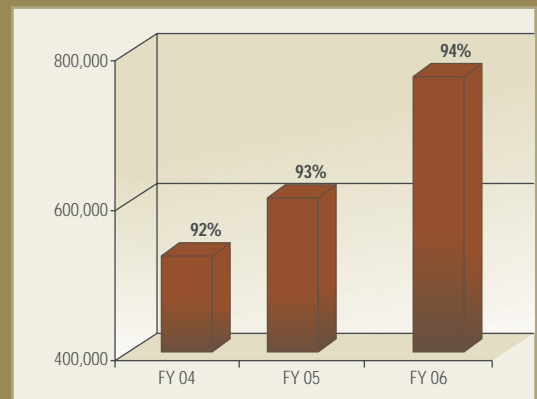
The resulting system improvements have led to faster processing times despite record transaction volumes and with no increase in staffing levels.

Employers using WPOL enjoy processing standards that are the best in the world:

- 90% of service requests processed either immediately or by the next working day;
- Renewals are processed within one day, cancellations within 15 minutes;
- Number of actual trips to MOM reduced from four to one; and

- Number of documents to be submitted reduced from 23 to seven.

**WORK PASS APPLICATIONS RECEIVED AND PERCENTAGE PROCESSED WITHIN BENCHMARK TIME**



For its achievements, the WPOL service was awarded the 2006 UN Public Service Award for improving transparency, accountability, and responsiveness in the Public Service. MOM was one of only three government organisations worldwide, and the only one in the Asia-Pacific region to receive the award. – Penny Han



reduce call enquiries and convert customers to using electronic service channels. Call trends are also closely monitored for opportunities to migrate customers to self-help channels. For instance, the top five call types were found to be on work permit application procedures, work permit renewal procedures, levy, work permit rejection reasons and error messages encountered from the WPOL service. The website was then revised to provide a step-by-step guide of work pass application and renewal procedures, as well as an e-demo on work pass application procedures. The interactive Foreign Worker Levy Billing (iFWLB) service was enhanced, allowing customers to check outstanding levy amounts and make online payments. The content in the WPOL system and MOM website were reviewed and simplified to be more user-friendly. In addition, the WPOL service was enhanced to enable employers to view work permit rejection reasons online. The overall result has been a migration of 25% of work permit callers from the contact centre to online channels.

*Assuring usability:* A key learning point from the development of the WPOL system is the need to build in usability tests at the outset of system design. MOM now requires that usability testing by actual customers take place on prototypes of major e-services before implementation.

Feedback is then taken into consideration and design aspects tweaked before actual rollout. During the pilot phase following prototyping, design changes are tested out with small groups of pilot users and refinements made before the actual launch, to ensure that the final system is truly user-friendly to customers under real-world conditions.

*Customer education and engagement:* MOM actively engages and educates its partners and customers, including employment agents, who are the main intermediaries for the employers of foreign domestic workers and smaller businesses. Hands-on training, individualised coaching and regular briefings on the WPOL e-service are still conducted today. Users are also kept updated regularly via email and internet broadcasts to account holders.

These efforts to make online channels the best and most frequently used service channel have paid off with utilisation of the WPOL service climbing from 85% in 2005, to 95% in 2006, to 98% today.

## **TOWARDS HIGHER SERVICE QUALITY**

MOM's customer responsiveness approach has borne fruit. Customer perception survey results have shown steady improvements over the years, with the percentage of satisfied customers increasing from 91.2% in 2006 to 93.2% in 2007. MOM scored well in the annual Pro-Enterprise Ranking (PER) survey

## PERSONALISED ASSISTANCE: THERE WHEN NEEDED

While customers are encouraged to self-help as far as possible, the less educated, less Internet-savvy or simply those who need help with situational enquiries are still able to get personalised assistance from a variety of service delivery channels, including:


- **Phone:** The MOM Call Centre aims to be efficient, accurate and reliable. The Contact Centre, which is outsourced, answers 4,000 to 5,000 calls daily within one minute, 80% of the time.<sup>2</sup> No more than 10% of calls are dropped by customers waiting to have their enquiries addressed. Those who need case-specific assistance are put in touch with domain specialists, where enquiries are responded to within one working day for 95% of cases.
- **Email:** Email responses are given in a timely manner, with general enquiries responded to within one working day for 95% of all enquiries received. Customers are also able to receive comprehensive responses to queries sent through an e-feedback service on the website.
- **Counters:** Counter services, which offer efficient service and expert advice for specific cases, are maintained for advisory and transactional services which cannot be performed through online channels.

amongst businesses, rising from a PER index of 72.5 in 2006 to 74.6 in 2007. In recognition of the management systems and processes in place for service excellence, MOM was also awarded the Singapore Service Class certification in November 2007.

MOM plans to deliver more electronic and mobile services in the near future. The Employment Pass (EP) Online service will be enhanced, like the successful WPOL, to significantly improve turnaround times for EP processing. Another key e-service will be the development of an integrated Occupational Safety and Health service that will bring together services for reporting workplace accidents, applying for licences and obtaining advice relating to workplace safety and health issues.

Higher customer expectations from a more educated populace will continue to generate demand for even more sophisticated levels of service delivery. At MOM, the next phase of customer responsiveness is to move beyond efficiency targets to raising the standards of service quality. Policies and service strategies will be kept responsive. Quality assurance across all business departments will be ramped up. To intensify customer engagement and outreach, MOM will do more to ensure closure of feedback loops in handling policy and customer-related issues. In 2008, a “Best Public Suggestion Award”

will recognise members of the public who have provided suggestions that have led to significant service improvements for the Ministry—this will enhance customer engagement and encourage good suggestions from the public to improve services.

MOM has seen the fruits of its early efforts at service transformation. It has worked hard to balance an effective multi-channel strategy that is sensitive to its customers' diverse needs with the broader drive towards cost-effectiveness and value creation. It is a clear illustration that a policy-oriented, regulatory agency can deliver a superior customer experience and responsive service vision that is on par with the best in the world. 

Penny Han is Director of the Customer Responsiveness Department in the Ministry of Manpower. She is concurrently the Quality Service Manager and Director, (Applications and Processing) Work Pass Division in the same Ministry. Ms Han has more than 20 years' experience in the public service, in employment-related matters, spanning labour relations, labour prosecution, work injury compensation and work pass administration.

#### NOTES

1. Cole, Michael and Parston, Greg. *Unlocking Public Value: A New Model for Achieving High Performance in Public Service Organizations*. New Jersey: John Wiley & Sons, Inc. 2006: pp.xiii.
2. From October 2008, this will be enhanced to 80% of calls answered within half a minute.



Rosina Howe-Teo

## Ten Tips: How to Create a Next Generation Public Service Super-Portal

Since its inception in 2000, the Land Transport Authority's ONE.MOTORING (<http://www.onemotoring.com.sg>) portal has become an indispensable online destination for the motor trade industry, vehicle owners and the general public. With more than 8 million monthly page views, this comprehensive information, service and community portal polled user satisfaction ratings of 93% in 2008.<sup>1</sup> It was also awarded the 2006 National Infocomm Award (Merit) for the most innovative use of infocomm technology (ICT) in the public sector, among a number of international accolades.<sup>2</sup>

A pioneering effort in integrated e-services and public-private collaboration, the developers of ONE.MOTORING encountered many challenges common to the radical adoption of electronic service delivery by public sector agencies. The management team behind this revolutionary portal offers 10 hard-earned lessons from their experience in developing next-generation e-Government services.

### 1. CHANGE MINDSETS, CHANGE THE GAME

An early aspect of the Land Transport Authority (LTA) e-services master plan in



the late 1990s was the recognition that it had to provide a customer experience beyond mere service delivery, by integrating both government and commercial services in order to increase the depth of e-services.

This was a significant departure from traditional government-led initiatives where commercial interests were held at arm's length in order to maintain public accountability and impartiality.

The richness of collaboration between government, commercial and public entities is precisely what has transformed an otherwise government-centric portal into a vibrant lifestyle hub for the motoring community.

Instead, ONE.MOTORING would draw on the public service's reputation for trustworthiness, reliability and transparency, while tapping the creativity and operational nimbleness of the private sector. Today, the richness of collaboration between government, commercial and public entities is precisely what has transformed an otherwise government-centric portal into a vibrant lifestyle hub for the motoring community.

As a hybrid portal offering both public and private services, ONE.MOTORING did not comply with standard government guidelines of how a government website should look and operate. As part of the mindset shift, the portal was registered under LTA's wholly-owned subsidiary as *onemotoring.com.sg* immediately freeing it up conceptually to offer radically new forms of joint public-private services ahead of the curve.

## 2. TRANSFORM AN ENTIRE INDUSTRY—WITHOUT BEARING ALL THE COST

Singapore's motor industry is largely made up of small and medium enterprises (SMEs), where the adoption rate of information technology is relatively low. The ONE.MOTORING initiative, by providing a trusted gateway to a comprehensive range of services, was an opportunity for LTA to help close the digital divide among companies, achieve seamless integration, and reap efficiencies across the industry.

However, this approach does not mean that LTA bears the development costs of all services on ONE.MOTORING. Instead, LTA acts as an anchor tenant, bringing credibility and a strong base of transactions to the portal. Today, LTA attracts more than 8 million page-views monthly to the portal, of which 50% are government-related transactions and enquiries. Commercial services offered by



industry partners through their own corporate systems make up the rest of the portal's transactions.

ONE.MOTORING does not provide hosting services, hence its capital set-up is kept low. Instead, every e-service owner or provider is responsible for its own backend development as part of its business operations. As a TrustSg<sup>3</sup> certified hub, the portal ensures that the highest possible security controls are put in place and regular vulnerability tests conducted by authorised third-parties ensures the website is secured and safe.

Being a gateway, the portal provides a "service green lane" that directs and links the various e-services to the respective backend systems for processing. In this way, it is able to ensure the fastest possible response time without the overhead of a massive, centralised technical infrastructure. Each corporate participant determines their own development priorities. Business competition drives the pace of available new e-services. The portal is therefore not encumbered by e-services that nobody wants, or by a dearth of new features.

At the same time, the business partner who operates and maintains the portal is incentivised to 'recruit' new commercial e-services, related to motoring needs, through a share of advertising revenue.

### 3. BUILD BUY-IN WITH STAKEHOLDERS

To make ONE.MOTORING possible, LTA

had to work closely with external stakeholders such as the transport operators, motor dealers, insurance companies and financial institutions to develop the land transport portal.

From as early as 2000 when LTA presented the concept of ONE.MOTORING as a one stop centre for all motoring needs in Singapore, industry requirements and feedback were gathered. This early start helped to build rapport with business partners and a sense of collaboration towards shared goals that has shaped the evolution of the portal till the present.

When the full suite of e-Services @ONE.MOTORING was officially launched in February 2006, as many of 3,500 personnel from over 750 industry partners were trained by LTA and over 50 site-visits were made to private companies to verify the integration of their systems with the LTA. In addition, at least 800 personnel from 500 motor trade companies participated in the testing of our systems before these were rolled out.

### 4. BECOME A CATALYST FOR CHANGE

It is not the case that industrial involvement in ONE.MOTORING is driven by top-down government mandate. Instead, it is vital to the long-term viability of the portal, that all participants derive value from their involvement.

One example is a local company that provides online car mart services.

They were initially concerned that ONE.MOTORING would compete with their own portal and dilute business opportunities by drawing eyeballs away. They were assured that ONE.MOTORING was not intended to compete with their services, but on the contrary would provide a gateway to their offerings. In the past 18 months, this company has become the No.1 automotive website in Singapore and they have openly attributed their gains in hit-rates to ONE.MOTORING.

Land transport is seen not as a way to bring people from point A to point B; it is instead regarded as a vital lifestyle good that affects the quality of life in Singapore.

*The LTA Community Network for Partners* is another case in point. ONE.MOTORING is linked to more than 820 motor trade industry partners comprising motor dealers, inspection centres, motor trade associations and payment service-providers. This extensive network of business users taps on LTA's backend system through ONE.MOTORING for various online services. However, the need to link up with LTA was considered an added business cost for small companies. In anticipation of this business concern,

LTA aggregated the demand for high-speed leased lines with the telcos through a LTA-initiated tender. This initiative offers a special group discount scheme to business partners connecting with LTA, while providing a trusted environment where fast and secure e-transactions can be performed.

## 5. SERVE A REAL COMMUNITY AND GENUINE NEEDS

One key visionary aspect of ONE.MOTORING is its customer-oriented perspective. Land transport is seen not as a way to bring people from point A to point B; it is instead regarded as a vital lifestyle good that affects the quality of life in Singapore.

In servicing the lifestyles and aspirations of the broader motoring community, ONE.MOTORING has become a popular interaction point. Since October 2004, the portal's 40,000 registered members have participated in nearly 6,000 forum topics and polls. Topics of electronic discussions range from the best motor-parts in town, car maintenance services, fuel consumption to driving tips, lowest parking rates, and useful tips when buying a car in Singapore.

These informal public exchanges complement the formal services provided by LTA and the motoring industry. The end result is a content-rich portal powered by real users, transforming what might have been a typical, functional

government portal into a lifestyle hub, enabling communities with similar interests to engage and exchange information.

To stay relevant and ensure that the portal remains “the gateway to all motoring needs in Singapore”, comments and suggestions provided by both individual and business users are fed back as improvements in the portal’s look-and-feel, or as new services and new channels of delivery.

## 6. HAVE A BIAS FOR ACTION, NOT PERFECTION

The business plan for ONE.MOTORING took less than four months to conceptualise, but its actual implementation took place over several years and through several phases of thematic implementation.

The real challenge was not the availability of technology, but of change management. LTA recognised that different companies in the motoring industry varied in terms of readiness to come onboard the portal. Each company had its own business priorities; each needed time to review their existing processes.

LTA’s strategy was to adopt a 90-day “battle call” in the initial period, where a new function or service would be introduced every three months. A “What’s Coming” column on the portal anticipated upcoming improvements.

Short intervals between roll-outs allowed much needed time to make vital adjustments and to mitigate possible risks in earlier judgment.

When embarking on radically new initiatives, trials and pilots were also taken in order to gauge public reactions and allow for fine-tuning of plans and systems before a full-scale launch.

By adopting a phased approach, surprises for the project team were minimised and user confidence accelerated with each successful launch of new features.

## 7. OFFER NEW SERVICES THAT WOULD NOT HAVE BEEN POSSIBLE BEFORE

Through the use of a single portal, LTA has closed the digital divide among the companies in the use of ICT. This provided the opportunity for the private sector to synergise activities and seek new way to deliver integrated services that have not been possible before. One such spin-off is the Electronic Vehicle Recall Service (EVRS).

From time to time, car manufacturers would issue notices for the recall of vehicles for parts replacement. These recalls are also mandated by LTA to comply with road safety and road-worthiness standards. Prior to EVRS, motor agents would send notices to car-owners based on their purchase records. The success rate of such recalls was less than 70% and inventory costs were high.

With EVRS, motor agents leverage on ONE.MOTORING to notify affected vehicle-owners, whose addresses are kept up-to-date in the portal's central database due to road tax renewal regulations. Now, timely notifications are sent to affected vehicle owners, while motor dealers are able to better manage their inventory of rectification parts, and LTA achieves higher levels of vehicle road-worthiness. Since its introduction, the EVRS has garnered positive feedback from motor dealers for improving productivity, lowering business costs and enhancing overall efficiency.

## 8. MAINTAIN A COHERENT BRAND THAT IS RELEVANT, WITH A CLEAR CORE BUSINESS

With a hybrid portal offering both government and commercial services, a strong branding is essential to pull everything together. The name ONE.MOTORING was derived from the portal's vision of "one-stop motoring".

Four strategic thrusts underpin ONE.MOTORING's brand-value proposition:

- *Content:* The portal must be informative, up-to-date and easy to use to promote self-service.
- *Community-centric:* It must be built with the end-user in mind, including the various interest groups among the public.
- *Collaboration:* It should be an amalgamation of efforts by the private

and public sector, with LTA being the catalyst to transport the landscape of land transport services.

- *Commerce:* The portal will harness the capabilities of Internet technologies and provide alternative service-channels for transactions to be conducted over the net.

These fundamental principles have guided the development of the portal. As early as 1999, private-public-partnership strategies, definition of customer segments and elements of branding and marketing were already being adopted, in order to sharpen the portal's focus.

## 9. DO NOT JUST OUTSOURCE, BUILD ACTIVE PARTNERSHIPS

LTA outsources the technical development and day-to-day operations and maintenance for ONE.MOTORING services to a technology partner. Marketing and business development activities are included as part of the overall agreement. However, LTA takes joint responsibility for overall business development to ensure that the portal stays focused and remains relevant to its primary stakeholders.

A joint business-development team from LTA and the service provider determines the annual work plan for the portal. Related key performance indicators are used and quarterly reviews conducted to align progress and discuss issues. New initiatives are determined collectively to

ensure that these do not conflict with the Authority's goals, while keeping an open mind to offerings of new ideas and opportunities by partners.

A radical new vision of service-orientation cannot be limited to frontline staff; it has to permeate an entire organisation and its culture.

The working style of the public service and commercial partners can be radically different. However, instead of being overly guarded with each other, openness and transparency are key to bridging these differences.

#### 10. DO NOT FORGET TO POWER UP STAFF

Citizens and businesses are at the centre of the service vision, and partnership with stakeholders is essential for successful service delivery. However, the impact of change on staff should not be forgotten. E-Government is about transformation, but this cannot be achieved without careful and coordinated human resource management. A radical new vision of service-orientation cannot be limited to frontline staff; it has to permeate an entire organisation and its culture.

Business process re-engineering training and service-related workshops have been built into LTA staff training roadmaps since 2000. Training incorporates real-life problems as case studies; recommendations and feedback from each case are fed back to respective business units for follow up. This approach also helped to develop a sense of ownership for change among operational staff.

#### THE FUTURE OF ONE.MOTORING: A 4P EFFORT

ONE.MOTORING has proven that public sector efforts, using creative business models and applying disruptive technologies, can dramatically alter the industry landscape.

As customer expectations continue to evolve and new developments in technology are made available, the challenge is to further include, understand and serve ever more diverse customer groups, while striking a balance between service and delivery cost.

Building on its pioneering 3P (public-private partnership) model, ONE.MOTORING is now looking ahead to a 4P (public-private-people partnership) effort, involving the people and community in developing the next generation of truly integrated services. 

Rosina Howe-Teo is Chief Innovation Officer and Group Director of the Innovation and InfoComm Technology Group at the Land Transport Authority (LTA). She has been the Project Director for ONE.MOTORING since 1999 and is also LTA's Quality Service Manager. She chairs the Land Transport Innovation Fund Committee to promote innovation excellence in Singapore's land transport development.

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#### NOTES

1. Customer satisfaction rating in 2008 improved over 2007's rating of 90.4%, which is an achievement, given that significant effort is typically required to maintain satisfaction levels, let alone improve them.

2. ONE.MOTORING was also a Finalist in the 2006 Commonwealth Association for Public Administration and Management (CAPAM) Awards, and a Winner of the CIO Asia Award in 2003.

3. TrustSg is a nation-wide trust mark initiative by the National Trust Council (NTC) to boost the electronic commerce environment in Singapore. This is to help build confidence in e-commerce transactions especially in the area of privacy and security. To acquire the TrustSg seal, merchants are required to comply with a stringent code of conduct for online business practice set by the NTC. The code covers the area of disclosure, privacy, fulfilment, best business practices, and protection of minors and the elderly. Consumers will recognise the merchant as a trustworthy e-commerce operator when the website carries the TrustSg seal. For details, see <http://www.trustsg.com.sg>.



## Interview with Ng Hock Keong

# Service Beyond Excellence

Singapore's Central Provident Fund Board (CPF Board) has won many accolades for its service excellence and innovations such as the groundbreaking my.cpf online portal. Ng Hock Keong, the Quality Service Manager (QSM) behind many of CPF Board's service initiatives, shares his views on the challenges of change in a mature service-oriented agency responsible for over three million members.

**CPF Board has a hard-earned reputation for being a quality service-oriented agency. What is driving it to introduce new service innovations, especially when some of these could potentially disrupt existing service experiences that are already comfortably well received?**

There are two driving forces. First, it is clear to us that the customer has changed. Citizens have become savvier, and have higher expectations of government, transparency and service. What was once a delighter or performance service is now considered a basic service. Second, a public service agency providing excellent customer service brings about national goodwill; we cannot be stagnant or complacent in meeting the rising expectations of our citizens.

From an organisational perspective, why would CPF Board think of some new service to delight the customer or test the market every year? I believe it is a passion of wanting to be a service excellence agency: we take pride in exceeding expectations, and surpassing other service providers, public or private. The only way

to surpass other benchmark organisations is to do something that has never been done before. Two most recent examples are the “m-ambassador” and “e-concierge” services.

**Public service agencies are often stereotyped as being risk-averse. Yet how does CPF Board's organisational culture support change and innovation in service delivery?**

I think we have a willingness to admit imperfection and mistakes—and the ability to then build on that, to come up with a better version of ideas. This is something you do not see that often outside CPF Board.

One example was the development of the initial version of our mobile services, designed for personal digital assistants (PDAs) in 2006. Our target customers were not very receptive to it. So we took a step back, did a post-mortem, and moved on to a better solution today. Another project in which I was personally involved was a IT system for scanning in hardcopy correspondence. The idea was good and



the system was developed with the latest technology available in 2000, but it did not take off as we wished because customer behaviour had changed by the time the system was ready, and more customers were simply writing emails to us. We eventually stopped using the system in 2003. Yet there were no repercussions on the officers involved. The experience we gained from the failure of the project helped tremendously when we developed other systems later on. The important thing was that management accepted that while the initial systems were technically up to scratch, it did not succeed operationally due to a range of other reasons, including users' resistance to change. We learned from that episode. The core personnel of the project team were reassembled for the subsequent customer relationship management system project, which was implemented very smoothly as a result.

There are many other service innovation stories, where it is not "first version perfect". But we have a culture where if someone is championing a project and it is not working out, they will not say "Let's cover up" or "Let's pretend it works". The moment you take away the fear factor of a penalty for honest mistakes, people will be more upfront, and they will want to do better. And we are prepared to put in more resources to get it right the next time. It is very important that our top management has been so supportive of

this culture of tolerating failure.

We also have an internal culture where we celebrate success and new ideas. We give out generous awards for successful new projects. And when one department tries out new ideas that work, every other department will want to come on board—the word-of-mouth effect is better than a top-down plan from the QSM office!

By freeing up less value-adding channels, we can now offer different strokes to different folks, instead of the traditional one-size-fits-all approach.

#### How has CPF's service model moved from pursuing cost savings and efficiency gains to one of value enhancement?

If we keep traditional service models, there is no way that we will have enough additional resources to do all these new things; you can only get incremental improvements. You can always do more with extra resources, but that is not sustainable. So first, you have to pursue the cost-saving model. Automate high volume transactions. We tackled this in 2003, by e-enabling these transactions, and began to reap raw cost savings. We cut down the number of physical counters, reserving them for those who really need them. We freed up staff to do



other things, such as helping people with electronic transactions. We changed our physical layout so that the e-lobby with self-help service terminals is the first point of contact. Manned counters are still there, but with a much longer waiting time of say 60 minutes for walk-in, young and able customers. So the customer decides what he is prepared to do.

The fact is that given a choice, customers prefer to self-help and complete their transaction without waiting. And there are e-ambassadors around to assist them with this. We implemented the e-appointment system in 2005, where customers could book a face-to-face appointment ahead of time. So now you wait less than 10 minutes to see someone, and the counter staff would have had time to prepare your case, know what you need, and prepared a solution for you. The allocated transaction time is 30 minutes, but in fact it takes less than that because the process has become much smoother.

So by freeing up less value-adding channels, we can now offer different strokes to different folks, instead of the traditional one-size-fits-all approach.

We can now also sift out people who cannot use the e-channels and make options available to them. For instance, we have a Club 55 service for senior citizens who are probably less IT-savvy and need more personalised help. It would

be wrong to force them to use e-services. At Club 55, they are served by specialists within 20 minutes.

Our Customer Service Officers (CSOs) are now also freed up to go out to the community. We started off with old folk's homes, community centres and roadshows, to help people in the heartlands check their CPF balances, and take home very useful messages about their CPF and personal finances. We call them the "CPF m-ambassadors". If someone were bed-ridden without a support system, the m-ambassador could make a house call and help them. For the past few national projects, we were able to do sign-ups at community centres, instead of requiring citizens to come to the CPF building.

And we have done all this with a stable headcount of 1,300 staff. In fact, for the past three years, we have met the 3% headcount reduction requirement, without affecting our customers' service experience with us.

**Are there other new services you have introduced that represent a fundamental change in the established way of doing things?**

E-concierge is one such service. It started as feedback from some customers, who emailed us to ask us to perform certain transactions, without using a conventional form. By traditional cost-benefit analysis, it does not make sense to develop a

process just to cater to such exceptional, low-frequency tasks. But the customer does not really care whether his transaction is high-volume or exceptional in nature—he only cares about the outcome he needs. Yet if we look at the customer’s instructions and the desired end result, we realise that we can perform the transaction without putting in place a new process. So now we let customers put in a free-form request from the e-concierge page and we can perform his transaction, once we have confirmed who he is, what he wants and how to serve him. It has changed the entire traditional mindset of form-based transactions. Now you can tell me what you want, and I will serve you.

From the Board’s perspective, this is more costly in terms of time and resources than a structured form. For instance, the human element is now needed to decipher the request, just as when reading an email. But it is far better than having to manage the customer who has come to the counter to kick up a fuss, or writing letters to argue over why the request cannot be processed in that way. In fact, departments spend less time performing the transaction than trying to explain to customers why they cannot carry out their non-standard instructions.

This e-concierge concept is a bold initiative that no one else in public service has tried so far. But in fact, there

is no risk, since authentication and confirmation still take place. And as a public service agency, we actually hold a lot of authenticated information and can do specialised transactions for customers that even commercial banks cannot access. There is the potential for tremendous value-add to the customer.

Of course, the initial fear was that customers would only use this e-concierge system instead of the prescribed forms. But our operational experience has been the opposite—customers would rather tell you precisely what they need, by using the correct form if they could. This is really a last resort solution for them, and if there is in fact a standard form that customers can be redirected to, they quite reasonably proceed to complete the process on their own. The end result is that we can say “yes” to customers a lot more often, and we end up with a much better service experience overall.

**You have said that CPF B goes beyond excellent service delivery to furthering national objectives by creating more informed, financially self-sufficient customers. Could you elaborate?**

I think the big picture we are out to achieve is to make sure our greying population has enough for their retirement. So we need to move beyond a transaction-based relationship, i.e., you want this now, we carry it out quickly for you. Instead, we should leverage on the basis that people trust us since we have given them good service. Our transaction

time also represents valuable interaction time with the customer; they are a captive audience.

During this time, we are able to influence and educate customers: Do they know the consequences of each transaction? Have they calculated the financial implications of the housing loan they are about to take on using their CPF? What is the retirement income they need based on their current lifestyle?

With information technology, it is relatively cheap to include these things on the website. How do we then draw customers in? We provide short teasers and games, send them text messages, give vouchers for little quizzes. It sets people thinking.

**Development should be driven by business processes and customer context, rather than technical specifications alone.**

So here is another mindset change. Instead of giving them just the facts of their CPF account, we try to bring the bigger message across. CPF can push out personalised messages because we know your customer profile, and give you prompts, say six months before you hit your CPF balance limit for your housing instalments. We provide online

calculators so people can see the bottom line impact on their own pockets instead of reading pages of news reports. We will leverage on new media to further extend our reach in public education in the next two years.

### **What advice would you give to other public service agencies that are just beginning to transform their existing service models?**

A lot of organisations jump on the technology bandwagon, when they think of service innovation. They spend money and resources hoping to find a breakthrough to better service their customers. That is well and good, but I think the implementation has to be backed by an entire service culture, leadership and the right mindset; otherwise, you will not get very significant customer results. You also need to have a certain confidence in and knowledge of your business process and customer context, rather than let the development process be driven by technical specifications alone.

Outsourcing to vendors is also not a bad thing, because you lay off less efficient channels, but accountability should not be compromised. You must watch them even more closely, because when they are staff, you have a certain trust in them. But when they are vendors driven by profit, you have to be more careful. You have to be sure that they are aligned with your service values, because the customer

will not care whether the service is outsourced or in-house; it is part of their service experience. This is an especially sensitive issue when outsourcing some public service functions.

I always tell my chaps that service delivery is not only about transactions. Through these service experiences, goodwill has been built over the last five decades and that is why the customer has trust in the organisation. It is not an overnight task. It takes a long runway to build a strong service culture in an organisation. It is a journey that never ends.



important life stages. Today, the website is one of the most popular government websites in Singapore, serving more than 39 million transactions a year.

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Ng Hock Keong is Director of Customer Relations Division in Singapore's Central Provident Fund Board (CPF Board). As Quality Service Manager, Mr Ng ensures a high level of customer satisfaction for its three million CPF members. He is the key advocate for service excellence in the Board, which has won the prestigious Singapore Quality Award (2004), Singapore Service Class (S-Class) Award (2005), Pro-enterprise ranking award (2004–2007), CAPAM Innovation Award (2006), APAC Government Technology Award (2007), and most recently, re-certification of Singapore S-Class Award (2007). Mr Ng has also initiated many e-transactional services that allow members to easily transact with the Board at any time. He introduced "my.cpf" online portal that seeks to both serve and educate CPF members on retirement planning based on



Jeff Popple

# Integrated Service Delivery: The Australian Department of Human Services

Jeff Popple, from Australia's Department of Human Services, discusses their experience in integrating service operations across different agencies, in order to achieve large-scale synergies.

**What is the Australian Public Service's approach to innovation and excellence in service delivery? What are the factors behind your drive towards service innovation and service integration?**

Like most Public Services around the world, the Australian Public Service constantly seeks to improve the quality of services it provides to the Australian people. One of the factors behind the establishment of the Department of

Human Services was the desire to reinvigorate public administration and improve the delivery of services to the many Australians who have contact with the agencies that comprise the Human Services portfolio. This has led to a culture within Human Services, and its agencies, of always trying to improve the quality of services that are provided. The individual agencies undertake a range of

# THE AUSTRALIAN DEPARTMENT OF HUMAN SERVICES

The Department of Human Services (DHS) was created on 26 October 2004 to achieve improved governance, clearer accountability and better performance in government service delivery by:

- ensuring the **efficient, effective** and **sympathetic** delivery of social and health-related services, including financial assistance, to the Australian community; and
- **influencing** policy development **upfront**—so that service delivery and implementation issues are taken into account in policy design and decision-making at a whole-of-government level.

The Minister for Human Services is a senior Minister in Cabinet and brings a service delivery focus to Government deliberations.

The DHS administers almost A\$100 billion in health and welfare payments each year (amounting to about 10% of Australia's GDP or 40% of the national budget), serving nearly all 21 million Australians through Medicare and other services.

With a total of 40,000 staff, the agencies under the Human Services Portfolio include Centrelink, Medicare Australia, Australian Hearing, CRS Australia, Child Support Agency and the HSA Group.

Set up in 1997, Centrelink (now a key agency under the DHS) delivers A\$64 billion worth of payments and services on behalf of national and state governments to 6.5 million customers, including retirees, families, carers, parents, people with disabilities and the unemployed. Serving as the “human face” for the Australian Government in many local communities, it is the broker of services ranging from income support, workforce and social participation support, farm and drought assistance, regional development programmes and emergency assistance. Approximately 1.8 million citizens are registered for Centrelink's award-winning online services, undertaking more than 14 million view and update transactions per year.

activities to support this approach to excellence, including benchmarking, customer surveys and monitoring against performance standards. Agencies also explore more innovative ways of dealing with customers, such as the use of short message service (SMS) or text messaging, provided these innovations do not conflict with the policy intent of the programmes they are administering and do not jeopardise the integrity of the payments they administer. If done well, innovative service delivery can result in higher satisfaction amongst customers and can also be more efficient and more cost effective.

There are advantages to integration, but it has to be managed in such a way that you do not compromise the expertise that individual delivery agencies have built up and do not weaken their current accessibility.

The search for improvement in service delivery can sometimes logically lead to service integration, but this is not necessarily always the case. If done in an effective manner, integration can lead to more convenient service delivery. In Australia, we have the complication of

three different levels of government: local, state and commonwealth. Often, each of these levels of government can have involvement in the same areas, such as childcare.

The Australian people, however, often do not differentiate between the different levels and just see it as being “government”. Achieving greater synergy between the three levels of government is one of the biggest challenges that we face.

**In your experience, what are the challenges of pursuing an integrated approach to service delivery, and what are the key opportunities and advantages?**

An integrated approach to service delivery can lead to more convenience for customers, especially if they only have to visit one location to do their business. We have had some success in Australia with the Flexible Service Delivery Trials, involving Medicare Australia, which primarily administers health rebates, and Centrelink,<sup>1</sup> which delivers welfare and family payments to Australians. The trials involved Centrelink delivering some of their services for older Australians and carers through four Medicare sites and, in turn, Medicare trial-tested the delivery of some of their services in four Centrelink sites. The trials were reasonably successful and the benefits included:

- more convenience with people able to conduct a range of government business in one place at the same time;



- better customer service designed to suit people's specific needs; and
- more choices of sites in which to conduct government related business.

The Australian Government is currently considering the outcomes of the trials.

There are advantages to integration, but it has to be managed in such a way that you do not compromise the expertise that individual delivery agencies have built up and do not weaken their current accessibility, i.e., by forcing them into less suitable locations.

**Has technology, or new models of management and organisation supported your pursuit of service excellence? What achievements would you highlight and what are the factors underlying their success?**

Technological advances have certainly provided new opportunities to improve service excellence. The most obvious examples involve the use of the Internet, mobile phone communication and the electronic sharing of data.

Australia is still developing new ways of improving electronic service delivery, although nearly 60% of people now report having contacted the Government using the Internet at least once in the previous 12 months. This is nearly a doubling of Internet contact since 2004.

One significant improvement has been the development of the Human Services Portal,<sup>2</sup> which provides a single

entry point to the online services offered by Centrelink, Medicare Australia and the Child Support Agency. The Portal also has a single sign-on to the online services of the agencies, so instead of having to go through three separate identification processes, the customer now only has to do it once before being able to easily access the services of the three agencies. Another noteworthy advance has been the introduction of electronic claiming processes for Medicare services, so that Australians can now receive their rebates electronically at the point of service, instead of having to make a separate trip to a shopfront to receive their rebate.

**How does the Department of Human Services harness the natural strengths of its component agencies in order to achieve whole-of-government policy objectives?**

By looking across the six agencies that make up the portfolio, Human Services is able to see the possible synergies and advantages by using a range of agencies. An example of this was the delivery of the Liquid Petroleum Gas Scheme, which provided a rebate to Australians who converted their petrol cars to liquid petroleum gas. The scheme was jointly delivered by Centrelink and Medicare Australia. Working with these agencies, we were able to develop a delivery arrangement which used the natural advantages of the two agencies:




- Centrelink's ability to quickly implement payment systems and efficiently make payments; and
- Medicare's network, which is largely based in easily accessible shopfronts in shopping centres.

This meant that in a matter of weeks, the system was set up and people were able to lodge claim forms at a convenient shopfront, which then sent the claim forms to a processing centre that quickly processed them and made payments to customers.

### **Is the Department of Human Services involved in ensuring that service outcomes are considered in the policymaking process?**

I think that this has been one of the main achievements of the Department. Too often in the past, the service delivery arm of government was separate from the policymaking process. This meant that sometimes good policy ideas were unable to achieve the envisaged outcomes for Government because too little consideration had been given to the implementation issues. With the formation of Human Services, greater emphasis has been given to service delivery. On the practical level, this means that service delivery has a more prominent role in policy development by being involved in the Cabinet process. With the establishment of a department of state with a specific responsibility for service delivery, policy departments have also

been more willing to engage in discussions about service delivery at a much earlier stage. Proper consideration of service delivery means that the customer is better served when the individual policies are implemented. 

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Jeff Pople is the Acting Deputy Secretary in the Australian Department of Human Services. He is responsible for the overall management of the service delivery role of the Department, advising on the performance of the Portfolio's Agencies and providing strategic and policy advice on a range of service delivery issues.

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#### NOTES

1. Centrelink (<http://www.centrelink.gov.au>) is an Australian Government Statutory Agency, assisting people to become self-sufficient and supporting those in need.
2. Single entry signon: <http://myaccount.humanservices.gov.au/wps/portal/> linked from the Human Services Portfolio Portal at <http://www.humanservices.gov.au/>

 Opinion

Lee Chong Hock and John Lim

## What Does It Mean to Optimise Public Service Delivery?

Lee Chong Hock and John Lim from the PS21 Office examine the challenges that face the Singapore Public Service, as it reaches beyond individual service excellence towards Whole-of-Government outcomes.

### ACHIEVING SERVICE EXCELLENCE

Standards of public service delivery in Singapore have demonstrably improved in the last decade. While developments have been uneven across the Public Service, the efforts of agencies to pursue service excellence have generally benefited the public in the form of more service channels and higher standards of customer service. In 2007, Singapore took the top spot in Accenture’s “Leadership in Customer Service: Delivering on the Promise” study for our efforts in developing customer-centric service models and proactive communications, ahead of 22 other countries, including Canada and the US.

According to Accenture, Public Services around the world have been focusing primarily on improvements to the front end of service. However, the interpretation of citizen-centric service delivery as providing existing services in multiple channels (especially the electronic

channel) has unintentionally widened the gap between public agencies’ vision of customer service and the actual service experience of their customers. Citizens use these channels expecting consistent levels of service but, without the same commitment to the backend structural and cultural changes needed to support the vision, the customer experience is one that is ultimately negative.

Singapore’s advantage lies in our Public Service’s aggressive approach to implementation, with a clear top-driven agenda which includes a holistic ICT master plan to positively transform the customer service experience. This approach has served us well. However, one should keep in mind the fundamental purposes of the Government as we continue our evolution of public service delivery.

### ACHIEVING SERVICE OPTIMALITY

Focusing on the customer experience is

essential, but there is also a need to balance that with good governance. Without a clear strategy to strike an equilibrium between serving customer interests and serving the public good, our current trajectory of “service excellence” may be skewed towards “going the extra mile”, and placing an overemphasis on improving standards and innovating service solutions, ad infinitum. To begin the discourse on this equilibrium, two areas need closer examination:

### *1. What price, service?*

There is no common understanding between the Public Service and its customers as to what constitutes “service excellence”. Public expectations are rising, and a growing number of customers demand higher standards and more choices. Against this backdrop is the Government’s responsibility to uphold the public good and ensure cost efficiency in service delivery. Agencies attempt to meet demands of both sides, balancing customer wants against their organisations’ priorities, but these are mostly ad hoc, agency-level strategies rather than comprehensive Whole-of-Government solutions.

Without an explicit way of determining the ideal state of service provision vis-à-vis public interest, perceptions are being shaped by a vocal few, and agencies are susceptible to pressure applied by this vocal minority.

Better service invariably comes at a price (i.e., requiring more resources), and the question often neglected is: who actually benefits, and who is paying for it?

**Customer satisfaction is about giving customers what they need, when they need it.**

### *2. Should it be handled with CARE?*

The Singapore Public Service uses the CARE<sup>1</sup> framework to guide its approach in delighting customers. However, the framework itself gives more focus to front end customer service standards, and does not address the systemic and mindset issues at all levels of Government necessary to bring about true service excellence stemming from total organisational excellence.

Customer satisfaction is about giving customers what they need, when they need it. For the Public Service, this means policies should be formulated with implementation and delivery in mind, from involving stakeholders early by providing avenues for consultation and feedback, to demonstrating a willingness to change policy stances to meet the needs of the people. How prepared are we (as a Government) to more comprehensively and openly engage stakeholders from the onset of the policy-making process, so as

to provide policies and services that meet shared desired outcomes, rather than attempting to “delight” them with good customer service at the end, or plugging gaps and loopholes as they arise?

### **CASE IN POINT: HOW MUCH IS “E-NOUGH”?**

The tension that exists between the strategic push for e-Government and customer-focused service delivery is symptomatic of the need for a more focused strategy. On the one hand, in order to fully reap the benefits of electronic channels, both agencies and customers must be wholly onboard. Agencies must invest the resources necessary to make the successful transition of services to electronic channels, and customers must be willing and able to access them online. On the other hand, customer-focused service means service delivery at the greatest possible ease and convenience to the customer, as defined by the customer. This would mean that the customer has a choice among all available channels, all with the highest possible standards.

Currently, many agencies still use a mixed channel strategy, trying to strike a balance between fulfilling the goals of e-Government and providing a wide array of service channels to meet customer needs. Without making sense of the strategies we could take for service


channel evolution and how these can be aligned at the Whole-of-Government level, it remains the agencies’ prerogative to determine that middle point and to manage that tension between strategies.

### **CONCLUSION**

The size and nature of the Public Service do not lend itself well to rigid standardisation and normalisation. This is a good thing, as we increasingly rely on the creativity, dynamism and boldness of our agencies to carry out their duties in this constantly changing environment. The same goes for service excellence. Agencies should be allowed to improve and improvise at their own pace, governed by a central strategic directive. However, the greatest challenge with that is that perceptions of the Public Service are shaped by the “weakest link”. This has been demonstrated by lapses in the “No Wrong Door” policy,<sup>2</sup> where customer satisfaction plummets at the point where the policy is disregarded, when the first officer “drops the ball”.

**Perceptions of the Public Service are shaped by the “weakest link”.**

One way to address this is to resist the urge to roll out blanket service improvement initiatives which agencies

have to follow, and instead use a more targeted approach to achieve predefined Whole-of-Government outcomes. Attention and resources should be given to critical areas, such as supporting agencies that require more assistance, or building necessary infrastructure to aid agencies' efforts. In essence, we need to articulate a credible Whole-of-Government vision of service excellence, facilitate the realisation of that vision, and then just trust our agencies to do the right thing. 

Lee Chong Hock is an Assistant Director (Development) in the PS21 Office, where he oversees the customer and citizen engagement portfolio. He works with public agencies to strive for service excellence, as one of the focus areas under Singapore's "Public Service for the 21st Century" (PS21) movement.

John Lim is a senior executive in the PS21 Office. He manages the citizen engagement portfolio in Public Service Office (PSO), and works with the Infocomm Development Authority to design and implement the Public Service's e-engagement strategy under iGov2010, the Government's five-year ICT master plan.

Through PS21, the Office hopes to build up capacity in the Public Service so that it is better prepared to meet future challenges. For more information, please visit <http://www.ps21.gov.sg>

#### NOTES

1. CARE stands for: Courtesy (politeness, considerateness); Accessibility (convenience of transacting with the Government, including being able to complete a transaction without going to multiple agencies); Responsiveness (includes promptness of service delivery, proactively meeting customers' needs, and flexibility to accommodate special circumstances); and Effectiveness (consistency of quality and reliability of Government services).

2. Launched in 2004, the premise of the No Wrong Door policy is a simple one: if an agency receives feedback on an issue which is not under its charge, it must redirect the feedback to the right agency and ensure that the latter agency responds to the feedback giver; and if the feedback involves a few agencies, the receiving agency should coordinate a single consolidated reply.



## Book Review

# Public Services at the Crossroads

**Edited by** : Richard Brooks

**Contributors** : Richard Brooks, Kay Withers, Miguel Castro Coelho, Tim Gosling, Guy Lodge, Sophie Moullin, Nick Pearce and Ben Rogers

**Published by** : Institute for Public Policy Research, UK: 24 September 2007

*Garvin Chow reviews the IPPR's milestone report on contemporary public service delivery in the UK.*

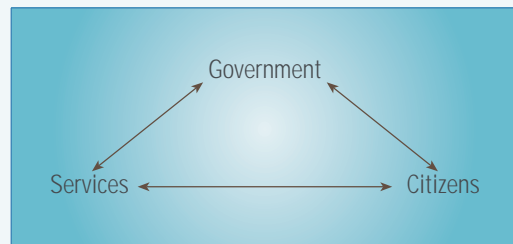
With a pool of increasingly educated citizens, a knowledge-savvy workforce and highly competitive market forces, many governments are feeling the pressure to continually improve the quality of their public services. This phenomenon is not felt in Singapore alone. The contributors to *Public Services at the Crossroads*, a report published by the noted UK-based Institute for Public Policy Research (IPPR), have also observed the same phenomenon in the UK. They argue that the design and delivery of public services should no longer be a prescriptive blueprint devised by the government independently, but should instead depend on the relationship between the government, services and citizens (Figure 1).

The demands placed on public

services will continue to rise, as society becomes more educated and the problems it faces become more complex and broad-ranging.

### FIGURE 1. A MODEL OF CO-PRODUCTION

(Source: *Public Services at the Crossroads*, p52)



The challenge to government is to balance high aspirations for public services against the risk of establishing unrealistic expectations, while also maintaining the trust and support of the public service workforce. For instance, can major improvements to public

services take place without losing the support of incumbent staff, some of whom may have to be laid off or reassigned? The low levels of staff morale and confidence in management experienced by some public agencies in the UK point to the implications of an unbalanced approach to reform.

### CITIZEN SATISFACTION—A PRIMARY GOAL OF PUBLIC SERVICES?

As the mindset shifts towards getting the relationship between government, services and citizens right, the desired outcomes of public services would need to be re-evaluated. Should customer satisfaction be the target and the means by which the civil service measures its success and allocates resources? According to the report's authors, this appears intuitively appropriate: if citizens are not satisfied with public services, they would naturally withdraw their support from public services, lose trust in the civil servants who administer them, and reject the politicians who advocate them. Satisfaction with services gives voice to citizens, helps to redress the failings of unresponsive service agents, exposes policy decision-makers to public scrutiny, and may turn the spotlight on neglected services that are valued by citizens.

However, the heterogeneity of citizens' expectations ("value pluralism") means that few would share the same subjective interpretation of happiness or satisfaction. Besides, resource scarcity and environmental constraints mean that the civil service cannot fully satisfy those who adjust their preferences to ever higher levels of consumptions with little or no regard to constraints. Healthcare is a good example of a service type where such behaviour is observed in many countries.

Where should we draw the line between meeting the demands of citizens and being an efficient and effective government?

By the same token, the report concludes that satisfaction or happiness maximisation cannot be the basis for measuring the success of public services and allocating resources. Where should we draw the line between meeting the demands of citizens and being an efficient and effective government? Perhaps we may concur with *Public Services at the Crossroads*, that procedural justice (making and implementing

decisions according to fair processes with respect to consistency, bias suppression, accuracy, correctability, representativeness and ethicality<sup>1</sup>) and distributive justice (what is just or right with respect to the allocation of benefits and burdens) must take precedence.

### MISSING THE TARGETS IN PERFORMANCE MANAGEMENT

In the last decade, much public service reform has focused on adopting “top-

down”, market-derived performance management mechanisms such as targets, incentives, regulation and intervention. In the UK, this “target-oriented” approach appears to have led to a number of unintended behaviours (outlined in Table 1). The drive to define the quality and efficiency of public services through performance targets may also have been at the expense of establishing useful norms and long-term outcomes for citizen behaviour in

**TABLE 1. PERFORMANCE, TARGETS AND THEIR POTENTIALLY PERVERSE SIDE EFFECTS**

(Source: *Public Services at the Crossroads*, p36)

THE PROBLEM	EXAMPLE
<b>Tunnel vision:</b> Concentrating on what is included in the performance indicator to the exclusion of other important considerations	Attempting to meet the high-profile target for five A-C grade General Certificate of Secondary Education (GCSE) passes has incentivised schools to focus on those on the C/D margin. Evidence suggests that very low-achieving pupils have, as a result, not shared in educational gains.
<b>Measure fixation:</b> Focusing only on measured outcomes—hitting the target but missing the point	The target to see a general practitioner (GP) within two working days led to some practices refusing to book more than two days in advance. 30% of patients surveyed in 2005 reported that their general practice did not allow them to make an appointment three or more days in advance.
<b>Gaming:</b> Getting round the system by altering behaviour to obtain strategic advantage	In order to meet targets for total time at Accident and Emergency (A&E), gaming behaviour included requiring patients to wait in ambulance queues until the hospital was confident that they could be seen in under four hours, and the performance of cancelling scheduled operations and drafting in extra staff over the period was measured.
<b>Data misrepresentation:</b> A spectrum of behaviours from “creative accounting” to fraud	Auditors found evidence that 12 National Health Service (NHS) Trusts had adjusted their waiting lists ‘inappropriately’ for the two hospital waiting time targets. In 2004/5, officially 96% of patients at A&E were seen in under four hours, but the survey-reported level was only 77%.



**TABLE 1. PERFORMANCE, TARGETS AND THEIR POTENTIALLY PERVERSE SIDE EFFECTS (continued)**  
 (Source: *Public Services at the Crossroads*, p36)

THE PROBLEM	EXAMPLE
<b>Myopia:</b> Concentrating on short-term issues and ignoring long-term risks	Waiting-time targets for new ophthalmology outpatient appointments had been achieved by cancellation and delay of follow-up appointments, on which there were no targets. At least 25 patients had lost their vision over two years as a result.
<b>Sub-optimisation:</b> The pursuit of narrow objectives, at the expense of strategic coordination and goals	Managers in the NHS were laden with performance targets and required to ensure financial viability amongst the projects in their portfolios. When managers discovered that Primary Care Trusts were accorded low priority in the NHS balance sheet (and could therefore be deprioritised without affecting their bottomline), the proportion of Trusts left to “significantly underachieve” in financial performance rose from 3% in 2001 to 30% in 2005.
<b>Convergence:</b> Also known as “threshold effects”, where targets do not provide incentives for those performing above the target level	Waiting times in A&E departments have converged just below the four-hour target.
<b>Ossification:</b> A disinclination to experiment with new and innovative methods	A poorly designed pupil assessment regime in English schools has led to shallow, narrow teaching in pursuit of gains in test results. In tight target regimes, budgets for research and development necessary for innovation have been cut to focus resources on essential work to meet targets.

relation to public services—in terms of constructive feedback and dialogue, for example.

## PUBLISHING PUBLIC SERVICE PERFORMANCE

In spite of the negative notions and side-effects that could be brought about by adopting a “top-down” performance management style, the report is right to point out that performance targets will continue to play an important role in the design and delivery of public

services. The rule of thumb is not to rely excessively on management by targets but to ensure that any performance target set should clearly indicate the key public objectives in each instance.

The report’s authors further advocate that government departments should publish their performance data in a bid to stimulate improvements to service quality through public accountability and ‘peer-pressure’, especially where quasi-markets operate. They cited an example where there is little

performance impact on a hospital if its performance data is shared internally and privately, whereas publication of this data had tremendous positive effects, motivated by a concern for the hospital's public image. By the same note, the authors believe the same can be applied to the public service. They are not alone in this approach: government departments in Canada and US already publish their public service performance data online to inform their citizens.

It is clear that with higher service expectations and greater general IT literacy the public will become more demanding of information about their public services, and be more able to access and interpret that information. Already, some private sector organisations (such as Dr Foster, an independent commercial provider of healthcare information—<http://www.drfooster.co.uk>) have emerged to play an intermediary role in relation to public service information.

### **PUBLIC SERVICE WORKFORCE—ADMINISTRATORS OF PUBLIC SERVICES**

In spite of increased resources and priority accorded to public services, the report found the UK public service workforce to persist in a state of


disillusion and dissatisfaction. According to an MORI survey,<sup>2</sup> public sector employees had less confidence (about 10% lower) in their management compared to private sector employees on assessments of trust, confidence and view of their vision. This was found to be particularly acute in the healthcare

The public will become more demanding of information about their public services, and be more able to access and interpret that information.

sector, where public servants cited lack of resources, the scale and speed of changes, and a lack of clarity about priorities as significant contributions to their grievances. Clearly this had a knock-on impact on general perception of public services, since public servants are often the sole channel of delivery for many inimitable services, as well as the representatives and spokespersons for their service areas and the public sector as a whole.

### **CONCLUSION**

*Public Services at the Crossroads* highlights the difficulties of managing citizens'

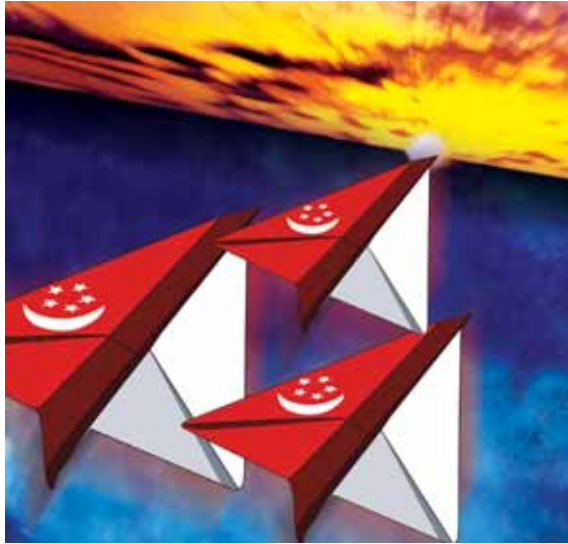
expectations of public services, the importance of the public sector workforce as a determinant of both performance and perception of the public service as a whole. In the UK experience, public service reform initiatives seem geared towards finding an effective but often elusive balance between policy objectives, service provision and citizen expectations. If executed well and in the right spirit, the report asserts that efforts to improve service governance should help to strengthen trust (clarity of reform objectives, availability of public services performance to the public, and more citizen engagement) in government. If managed badly, delicate but critical changes, necessary to bring a nation to the next level of development, may falter or even fail. – Garvin Chow 

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#### NOTES

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Peter Ho

## Governance at the Leading Edge: Black Swans, Wild Cards, and Wicked Problems

At the 2008 Strategic Perspectives Conference, Head of Civil Service Peter Ho traced the evolution of contemporary public sector practice. He concludes that while the Public Service has successfully adopted best practices from the private sector and elsewhere in the past, these are not enough to ensure good governance as we move into an unpredictable and complex future. In the following excerpt, he highlights the nature of the challenges ahead and argues that Singapore must develop its own new brand of governance in order to manage these critical uncertainties and generate original solutions to the wicked problems of our time.

### OF BLACK SWANS AND WILD CARDS

Much of the current practice of good governance assumes that a high level of predictability and order exists in the world. This is a dangerous assumption, because it encourages simplifications that are useful in ordered circumstances but

which can lead to leadership failures if they are applied in more complex or chaotic situations, where unexpected yet highly significant occurrences are more likely to appear.

At a Pentagon briefing in 2002, Donald Rumsfeld, then Secretary of Defense, said:

“Reports that say that something hasn’t happened are always interesting to me because as we know, there are *known knowns*; there are things we know we know. We also know there are *known unknowns*; that is to say we know there are some things we do not know. But there are also *unknown unknowns*—the ones we don’t know we don’t know.”

His remarks attracted some ridicule for not coming straight to the point. But “unknown unknown” is a legitimate and indispensable concept in decision analysis that we should expect a Defense Secretary to understand very well. In fact, Rumsfeld also said that “the absence of evidence is not evidence of absence.”

Nassim Nicholas Taleb’s book *The Black Swan* is about “unknown unknowns”. A ‘black swan’ is a rare, large-impact, hard-to-predict and discontinuous event beyond the realm of normal expectations. Before black swans were discovered in Australia, people believed *all* swans were white—an incontrovertible view confirmed by available empirical evidence. “The sighting of the first black swan,” wrote Taleb, “...illustrates a severe limitation to our learning from observations or experience and the fragility of our knowledge.” The discovery of a single black bird invalidates millennia of confirmatory sightings of only white swans.

Black swans have three traits. First,

it is an outlier: it lies outside the realm of regular expectations, because nothing in the past points to its possibility. Second, its impact is extreme. Third, in spite of being an outlier, human nature makes us concoct explanations for its occurrence *after* the fact to render it explainable and predictable.

Taleb argues that black swans account for almost everything in our world, from the success of ideas to the dynamics of historical events and our own personal lives. He further asserts that the impact of black swans has been accelerating since the Industrial Revolution.

In the same vein, futurologist John Petersen writes about “wild cards”. These are major surprises: high-impact events which come out of the blue. They are characterised by their scope, and a speed of change that challenges today’s capabilities. Wild cards develop very fast, and challenge governments, societies and nations to respond effectively since there is a tendency to react to warning with discussion and compromise, rather than rapid, cohesive response.

Singapore has had its own wild cards and black swans: the Asian Financial Crisis of 1997, the severe acute respiratory syndrome (SARS) crisis of 2003, and perhaps the sub-prime mortgage crisis of 2007 and the rice “shortages” of 2008. Black swans are probably more frequent than commonly perceived—the human mind has a tendency to underestimate

such events. Clearly, we must make an extra effort to brace ourselves to deal with greater uncertainty and unpredictability.

Of course there are also good black swans and wild cards, like the emergence of the Internet, Google, and the economic resurgence of China and India. If we are able to identify them early and understand their significance, we must then be able to exploit them to our advantage.

### THE PROBLEM OF WICKED PROBLEMS

Wild cards or black swans generate what the political scientist Horst Rittel first called “wicked problems”. Wicked problems are large, complex and intractable issues with no immediate solutions, and which involve multiple stakeholders who see the problem in many different ways. A high degree of process knowledge about creativity and collaboration is required in order to make even a dent in wicked problems. A good example of how to deal with a wicked problem is the way we addressed the problems with our education system in the late 1970s.

Singapore’s one-size-fits-all, mass-production approach to education in the 1970s was ill-suited to the needs of a country undergoing rapid economic change. So Dr Goh Keng Swee and a group of systems engineers studied this wicked problem and recommended a new efficiency-driven education system where students of different abilities could be

developed differently. The education system we have today still bears the imprint of these changes made in the late seventies and early eighties.

We need to be good at strategic foresight as well as strategic planning.

There are many wicked problems that Singapore has to deal with today, such as our birth rate, a greying population, the environment, long-term energy security, and affordable healthcare. When these were first noticed as problems, they had all the characteristics of black swans or wild cards, although they would not be regarded as such today.

### BEING COMFORTABLE WITH UNCERTAINTY

The key challenge for good governance going forward is how to identify black swans and wild cards, and then how to deal with their consequences: wicked problems. We need to be good at strategic foresight as well as strategic planning.

Few, if any governments are thinking about how to organise and prepare themselves for the more uncertain world that we will have to face. The Singapore Public Service must develop its own new and unique capabilities in governance. And we should have the confidence to do

so, because we have an impeccable track record in policy innovation.

The first of these new capabilities is **managing complexity and disruptive change**. Tools like scenario planning and horizon scanning enable us to detect emerging trends, threats (as well as opportunities)—the wild cards and black swans—that are beginning to appear on the horizon. The Risk Assessment and Horizon Scanning (RAHS) system is one such tool to help us do this better. As a shared platform, it has the potential to connect silos, and encourage greater collaboration between different agencies. It should facilitate a more Whole-of-Government, networked approach to strategic planning and thinking about the future.

The second new capability is **risk management**. As more black swans appear, they will transform the world we live in, in unrecognisable ways that we cannot fully predict. While we may not have formulated a complete set of strategies to replace existing ones, that is no reason for inaction. Rather than plan exhaustively for every contingency before we move, we should adopt a “search and discover” approach: act before the window closes, and act boldly in areas where we sense opportunities. We must be prepared to experiment, even if we cannot be entirely certain of the outcome. The approach is to probe, sense patterns, and to act, even in the absence of complete

information. We must learn to operate not in a “fail-safe” mode, but instead in a “safe-fail” mode.

Many black swan events and wild card situations offer opportunities even as they present threats and challenges for us. Climate change is potentially a big black swan. We will not escape the wicked problem of its impact. But undoubtedly, there are also opportunities, such as in the area of water management, where Singapore has built up considerable expertise, or in clean technology research and green financing. If we recognise and seize the opportunities early, we will have first-mover advantage.

The approach is to probe, sense patterns, and to act, even in the absence of complete information.

But there are also risks, for example, in going into unfamiliar markets such as the Middle East. This means we must have an organisational framework that allows us to take risks, but without betting the whole house and our future on a wrong throw of the dice. Ministries are now beginning to employ enterprise risk management as a tool to manage strategic risk. The Ministry of Finance has also developed an integrated risk management framework for the Whole-of-Government level.



**Systems thinking**, whether in Dr Goh’s solution to the education system or in designing our road transport system, remains a very important tool in dealing with inter-connected problems. However, as complexity increases, we will need to develop solutions that draw from an understanding of the entire system and all its inter-related dimensions—social, political, economic, and so on.

We must also build on our existing efforts to strengthen the **innovation culture** in the public sector such that we not only have the capability to innovate incrementally, but also to innovate in disruptive ways, all the while maintaining a climate that is open to change and new opportunities. If innovation is the engine of progress for our society, we will also need the work of entrepreneurs to create bridges between the fruits of discovery and the realisation of value.

Finally, **leadership** must serve the vision. Certainly we must strive for ever higher levels of efficiency and effectiveness as a public sector, to ensure the security and prosperity of Singapore, but our growing capabilities must serve a higher purpose, and must relate to our evolving national idea.

Leaders must also practise a new skill-set, creating an appropriate sense of urgency and empowering their people to drive change and strategy. They must nurture organisational agility by being flexible with resources, willing to make

useful exceptions, placing and defending talent, and championing an open, supportive climate that is conducive to innovation. We should “have strong opinions but hold them lightly”.

## A NEW PARADIGM FOR GOVERNANCE

Our Public Service will have to assume new levels of entrepreneurship with its attendant risks and uncertainties. It will need to become expert at conducting bounded experiments. A government that explores will also, at times, have to sacrifice some degree of efficiency in service of discovery. Indeed, the complex issues of the 21st century call for a new paradigm in governance—one that is networked, innovative, exploratory and resilient in the way it confronts the challenges of our time.

A government that explores will also, at times, have to sacrifice some degree of efficiency in service of discovery.

Certainly the world we operate in is too complex and mutable for the people at the top to have the full expertise and all the answers to call all the shots. For us to survive and thrive, we must have horizontal reach in a networked government, and the readiness to discover




and experiment, in order to gain insight, decision and action. We must take advantage of the diversity of our talent base and harness the value of new entrepreneurial and brokerage roles within the public sector.

Strategic initiatives like **World•Singapore** are mechanisms that involve people from different parts of the system to create a new common language, re-codify information into common insights and a shared sense of destiny. Bringing people from different agencies together to look at complex strategic issues facilitates the horizontal flow of information and the integration of experience, expertise and ideas. It defines, communicates, and reinforces our common purpose. In this way, we can better cope with uncertainty, and better operate in a complex, interconnected world.

### GOVERNANCE AT THE LEADING EDGE

That Singapore is operating at the leading edge in many areas of governance means that it is no longer sufficient for our policymakers just to copy and adapt from elsewhere. As we enter a more turbulent, complex and even chaotic era, Singapore will have to evolve its own strategies and approaches to deal with the many emergent issues we will face. To achieve real breakthroughs, we will have to depend more and more on our own policy innovations.

On its own, the private sector—short on the relevant scale, reach and regulatory leverage—lacks the capacity to cope with the disruptions and discontinuities of black swans, wild cards and wicked problems. In time, a new framework of governance will be needed that spans private and public sector skill-sets. The traditional virtues of good governance must be complemented by new capabilities in managing complexity and risk. We should also resuscitate old competencies like systems engineering and strengthen existing ones like leadership and innovation. All these should be brought into the core capabilities of present and future civil servants in Singapore.

In the meantime, governments can choose either inaction—and become the *de facto* insurers of worst-case outcomes—or address these challenges ahead of time with the boldness, exploratory mindset and innovation of an entrepreneur. Choosing the latter approach will be critical for the Singapore Public Service as we navigate a constantly changing and inherently unpredictable future. 

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Mr Peter Ho is Head of the Singapore Civil Service. This article was adapted from a longer speech delivered at the Strategic Perspectives Conference on 8 April 2008. The full text of his original speech is available online at <http://www.cscollge.gov.sg/ethos/>



Lam Chuan Leong

# Managing Complexity and Uncertainties

**Governments should make provisions for increasingly unpredictable and disruptive outcomes in the future, argues Lam Chuan Leong, Senior Fellow at the Centre for Governance and Leadership.**

**H**istory is not without its disruptive surprises. At the end of the 19th century, it was thought that everything that could be known had been discovered. Yet only a few years later came the x-ray, sub-atomic particles, nuclear fission and other discoveries that completely changed the world.

Clearly, however, the pace and nature of disruptive change is evolving more rapidly than ever before. It is now commonplace to assert that the world is

more complex and uncertain.

Three major factors have helped accelerate the pace of change. First, the increasing sophistication of markets and distribution channels has allowed new products to be diffused very rapidly, not only within national borders but also globally.

Second, transport and communications technologies have brought the world closer together. It has enabled global production and spread the economic

gains and the knowledge of production globally in a far shorter period of time.

Third, the revolution in information technology has greatly speeded up the diffusion of information, both in terms of technology and also of social behaviour. Societies that used to exist in isolation without outside influence can now see and learn through the media or Internet about what is going on elsewhere almost instantaneously. Along with easier travel, information technology spreads and speeds up the learning process of societies in both good and bad ways.

The positive aspects of these developments are well-known. On the downside are “globalised” threats such as contagious diseases, financial crises, terrorism and conflict.

The increase in complexity and uncertainty brought about by these factors has implications on the way the public and private sectors manage their affairs.

### **RISKS OF COGNITIVE FRAGMENTATION**

Studies into human cognition have shown that the human mind cannot handle too many items at once. It tries to cope with complexity by breaking it down into compartments or sub-components which are left to be handled by other people or at other times. This has given rise to the ever finer modes of specialisation that characterise modern societies. However, this also brings with it the risk of “fragmentation”. On occasion, this

fragmentation can lead to a serious failure as shown in the following example by Gary Klein:<sup>1</sup>

“During an operation, the surgeon decides to lower the patient’s blood pressure. He directs the anaesthesiologist to give the patient a drug that will have this effect, but does not explain what he is trying to accomplish. The anaesthesiologist gives the drug, notes that the patient’s blood pressure goes down, and boosts the level of another drug that will increase the blood pressure. To the anaesthesiologist, this is standard operating procedure to keep the patient’s vital signs stable. The surgeon notes that the blood pressure is higher than he wants and directs the anaesthesiologist to increase the dosage of the first drug. The anaesthesiologist follows the request, watches for the blood pressure to reduce, and then boosts the drug that will return the blood pressure to its normal level. This cycle continues until the patient ends the game by dying.”

This is a simple example that could be put right once the lesson has been learnt, but there are more complex situations where it is not as easy to avoid the negative consequences of fragmentation.

For example, people put their money into banks or insurance companies and assume that these institutions—and their regulators—know what they are doing. That did not prevent banks lending to sub-prime borrowers. The banks thought

they had diversified their risks. They assumed that the financial products had been structured to minimise risks. They looked to credit rating agencies and even loan insurance agencies to take care of some of the work of risk assessment and management. So the whole chain of fragmentation continued.

Had nothing untoward happened, most of them would have been richly rewarded. As it turned out, there was a correlation of risks, and the whole chain fell apart with very serious consequences on a system-wide basis, harming even those who have little to do with it. The same could be said of the food production chain, and its potential impact on human health.

Most of our current mental models assume that with given starting conditions, we can reasonably predict the outcome of management actions and therefore choose a set of actions or strategy that brings us to a desired outcome.

We act like a hive of bees, with each bee tending to his individual cell and depending on the actions of thousands of his companions to succeed as a colony. Through some self-organising principle, this arrangement succeeds remarkably

well. Indeed, so widespread is this fragmentation process that it is a tribute to human organisation that failures are relatively rare. However, as complexity increases, we must expect that the risks arising from fragmentation will increase. We must, therefore, adopt an approach that caters to such risks rather than assume that they cannot occur. This calls for a different mental model in the management of complexity.

Most of our current mental models assume that with given starting conditions, we can reasonably predict the outcome of management actions and therefore choose a set of actions or strategy that brings us to a desired outcome. Studies in complexity clearly indicate that such precision of prediction is impossible for any reasonable period into the future. We need to replace the current mental model that says, “If we do such and such, then an outcome of such and such will result.” The new model is that “If we do such and such, then probably such a range of outcomes is likely to result”. In fact, we have to be prepared for outcomes that are totally unexpected and perhaps thought of as “crazy” before the fact. Such mental models do not become us easily because it is the job of many formal education systems to teach predictability and knowledge of a form that is deductive, i.e., that input A invariably leads to outcome A.

## RISK MANAGEMENT AS POLICY

It has been said that good execution of a mediocre strategy is better than a brilliant strategy poorly executed. Yet many managers tend to assume that execution is something that can safely be left in the hands of other, usually more junior, staff. This is also an outcome of a linear mode of thinking, i.e., that once the key input parameters have been set in the form of the strategy chosen, the outcome must inevitably follow as night follows day. But if the outcome is uncertain and the unexpected has a fair chance to happen, we need to pay more attention to execution.

In particular, management has to accept the need to be prepared for surprises at all times. It should:

- a. cultivate a mindset that anticipates or at least prepares for “wild card” scenarios;
- b. accept the need to build and manage an effective risk anticipation and management system; and
- c. accept a certain cost to “insure” against low probability but high impact outcomes, e.g., choosing a strategy that yields slightly less value than the “optimal” strategy if doing so takes into account a low probability but high impact (or loss) outcome.

Adopting such a way of thinking is not without challenges. Practical leaders seldom want to waste time thinking about low-probability future events. They have

their plates full with current problems. Incurring current costs to insure against future events may seem fruitless, particularly if fast and mobile managers would have moved on to new pastures by the time any adverse impact happens, if at all. But for those who have long-term and total responsibilities for the whole organisation, risk management and the associated costs cannot be avoided.

If the outcome is uncertain and the unexpected has a fair chance to happen, we need to pay more attention to execution.

## BEYOND SCENARIO PLANNING

Amongst the many tools of risk management, scenario planning has been advocated as a major tool to combat future uncertainty and to address the problem that the future is inherently unpredictable. Scenario planning is extremely useful in creating awareness of risks and the possibility of unexpected outcome. However, to fully realise the benefits of scenario planning requires a better understanding of the underlying process between scenario painting and the formulation of strategies.

Both analysis and practice show that the gap between scenarios and strategies cannot be bridged directly. One can see

this with a simple artificial example of a stock market. The scenarios are simple. For a certain time horizon, the market is either up, down or flat. Knowing these scenarios does not at all help the investor in coming to a strategy. It is impossible to create a strategy that will be robust under all scenarios. The strategy of staying out of the market or having a fully diversified portfolio will earn close to zero returns over time.

What scenarios can do is to start one on the process of thinking about the possible range of outcomes and to develop leading indicators or “trip wires” which will add more knowledge to those outcomes that are more likely to result. Developing such indicators calls for great domain knowledge, extreme skill and judgment, and the ability to read so-called “weak signals”.

This is not a trivial task. Take the stock market for example: if the indicators point towards certain outcomes rather than others, then a strategy can be chosen. The sub-prime loan crisis is a good example of this process. Obviously the various scenarios of what can happen cannot be unknown to all the banks, but in their actual selection of strategy, each bank will act differently on the basis of its understanding of the market and its view of the indicators that it has developed. As it turned out, only Goldman Sachs read the appropriate signals and was duly rewarded.

## **THE NEED FOR CONTINGENT EXECUTION CAPABILITY**

Another vital step in the scenarios to strategy process is the need to build contingent execution abilities. Singapore has been extremely successful in identifying needs and building the execution ability and institutions to carry them out. This is a key ingredient of our “brand name” overseas and what many other countries have sought to learn from and emulate. These execution abilities will have to be maintained. Going forward, however, future uncertainties identified from scenarios have to be addressed through what may be called contingent execution abilities. These are abilities that can be called upon for execution not for ongoing projects but for unexpected outcomes.

One good example of this approach is the military. It is clearly impossible to foretell the development or nature of any specific conflict and how it will unfold. No military is built to execute a specific strategy, however likely it is. Instead, armed forces must be trained and equipped to be capable of dealing with the full range of possible outcomes envisaged under the scenarios.

The fact is that outside of the military, contingent execution abilities are rare because of the cost of this extra “insurance”. In stable times when conditions are unlikely to change much or to change slowly enough for new




execution abilities to be acquired in time, there is no point in paying this “insurance” cost. But the outcome of armed conflict is so clearly damaging that countries do pay this insurance cost for such contingent execution potential. Civil defence measures to manage potential natural disasters and preparations for health threats like a flu epidemic are other examples of such contingent execution ability potential.

### **CONCLUSION: EXPECT THE UNEXPECTED**

If uncertainties and their downside risks are increasing in pace and impact, it is necessary to pay more attention to risk identification and anticipation. More creativity and diversity is needed in this process; scanning and interpretation of future outcomes are made more difficult by the human tendency to be trapped in past mental models. We must expect that linear extrapolation from past experience is not a sufficient guide.

Scenario planning, amongst other techniques, offers good help in extending the ability to “foresee” unexpected outcomes. However, enormous domain knowledge, skills and often luck are needed to set up a system of indicators or trip wires that will help guide strategy formulation. In the execution of strategies, more monitoring of the impact of decisions and, in particular, a system of risk assessment and management has to be deliberately set in place and

institutionalised. It is no longer possible to trust that a well reasoned and thought-out strategy will be executed flawlessly or not encounter unexpected outcomes.

Finally, where the cost and benefits justify it, thought should be given to a development of contingent execution abilities beyond those needed for current operations. 

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Interview with Paul Romer

## The Challenge of Growth

Noted economist Paul Romer, proponent of the New Growth Theory, assesses the role of the public sector in sustaining growth in Singapore and the wider Asian region.

### How would you assess Singapore's current approach to development?

When people think about the development process, they sometimes look for a silver bullet, or the one policy or model that will drive growth. I think that is too naive. The growth process is very complicated. There are no silver bullets, no single model that everyone can copy. Singapore is a distinctive case of successful development under unusual conditions, so we should think of Singapore not as a model but as a very interesting data point.

I think the Singapore Government has done the right thing by conceptualising development around the idea of a city rather than a nation. Singapore's development as a financial centre à la New York or London is well underway; perhaps Hong Kong is a little bit ahead but there is good reason to think Singapore will keep moving up as a financial centre. You also have a clear vision of how to grow as an entertainment and tourist destination.

There is a little bit more uncertainty about Singapore as a "Silicon Valley"—

as a centre of entrepreneurship. Entrepreneurship is something that many people learn first-hand, when there is an environment with plenty of entrepreneurial or start-up types of experience. People who live in that environment often go on to start other companies, and if there is the finance and legal infrastructure to support that, one little seed can grow into a whole culture of entrepreneurship. The question in Singapore is how to create that environment.

### Singapore's public sector has had a central role in directing development in the past. As the economy matures, should state involvement be scaled back in order to allow an entrepreneurial sector to flourish?

This is one of the oldest questions in economics: What is the role of the state and what is the role of the market? We tend to think of the government and the market as substitutes. But if you limit government to those activities where it is uniquely important, then in those key areas, what the government does is a



complement to what the market or the private sector does. If the government does its job better, it enhances all the activities of the market. This is where thinking of Singapore as a city rather than a nation helps: you realise that there are many interesting ways in which the government can create value, such as through measures like land use planning.

Singapore should consider more mission-oriented funding for basic research across a whole range of agencies.

When you think about the problem this way, the challenge is for the government to keep its focus on those complementary activities where its role is critically important. The problem in having, for example, a government-run phone or airline company is not so much that you suppress entrepreneurship in telecoms or aviation, but that it distracts the government's resources from areas like education, research, and technological development where its role is uniquely important.

**What positive roles can a government play in spurring innovation and enterprise, without detracting from its core competencies and mission?**

If you look around the world, government is often influential in

promoting new technologies, but exactly how it should do this is a subtle question. In some cases, governments have been important consumers for high-tech goods. For example, in the early development of the transistor, the US Department of Defense wanted extremely high-reliability transistors for missiles and satellites, whereas Sony wanted transistors for cheap, portable radios. So digital consumer electronics developed more rapidly in Japan than in the US.

In the 1970s, when Japanese firms were dominating consumer electronics, this looked like a mistake in US policy. Yet the Department of Defense probably helped speed up the development of integrated circuits and helped establish the US lead in digital information processing.

The general lesson one can learn from this episode is that it can be very difficult to predict how government interventions will affect the economy. However, if a government ministry tries to develop knowledge or technologies that will help it do its job better, it can result in more effective government—and sometimes in technologies like integrated circuits that benefit the broader economy.

I think the lesson for Singapore is that it could consider more mission-oriented funding for basic research across a whole range of agencies. These agencies could fund research in universities to help them

achieve their own missions. This might also help with entrepreneurship. For example, I have spoken with the Ministry of Education and I think there is some very important mission-oriented basic research that they could do that could have both a direct application to Singapore's educational system, and that could also result in valuable commercial spin-offs.

Universities are very important as both the performers of research and as the trainers of people who will go out and create value in the rest of the economy. On the training side, you now face two distinct challenges. You need a mixture here both of institutions where lots of students can get in (which helps raise human capital for the whole economy), but also of some other institutions that are amongst the most selective in the world, that some of the very best students in the world will want to apply to. In some ways, you might think of the Indian Institutes of Technology (IITs), as an example outside the United States.

**In your view, what are the key challenges facing governments in creating the conditions for economic and technological progress?**

One of the lessons that is coming out of the academic work I have been doing on the Growth Commission<sup>1</sup> is that good management and good leadership is very

important for governments, just as it is for companies.

A lot of countries have viewed government employment as kind of a social policy or a form of patronage. They think that you give government jobs to people who are poor to help them have a better quality of life, or you give government jobs to people in your party to help build your political base. Both of these approaches can result in a bureaucracy where people are not well-matched to the government jobs that they are doing, or in too many people employed by the government, with average salaries that are too low. Singapore is distinctive in trying to attract very talented people, and in keeping the number of people in government relatively small and paying those people well. This way you can attract people from the private sector. This is a simple insight, but few governments have been this thoughtful or consistent about this as Singapore has.

The other challenge in good governance lies in dealing with two fundamental problems. The first problem has to do with time horizons. Many political systems create pressure to respond immediately, or the political process deters the adoption of policies which will cause some pain now but gain in the future. So "now-versus-later" is a huge problem in managing politics in

governments. We have created some special institutions like independent central banks to address precisely this problem.

Growth continues and even speeds up when more people are innovating and trading with each other.

Because Singapore's political system has a dominant party that can form a strong majority government that expects to be in power in the future, Singapore has done a good job in managing "now-versus-later" issues. Because the party expects to be in power for a long time, it takes a long view in addressing problems. Because it has a strong majority, it can take actions that cause some pain now without being thrown out of office. Your political equilibrium would be difficult to replicate in most other countries, but some countries like Italy would probably be well advised to move in your direction, toward a political system where they are more likely to have strong majority governments.

The second problem that governments face is "winners and losers." Almost any policy you can imagine that would benefit large numbers of people will typically cause some losses for other people. Most


effective governments have to decide that there are times when the gains for most people are so large that they are willing to accept some losses for others along the way. This is generally acceptable if you think that those who lose on today's policy might be very different from those who lose tomorrow. In the long run, it will tend to average out, but you need a government that is strong enough to go ahead with the policy even if there are a few very vocal people who do not want it.

**Can growth be sustained indefinitely, assuming shrewd governance? What are the prospects for growth in Singapore and the region in the long term?**

One problem that Singapore will face—as will China and India—is that the richer you get, the more your growth rates will slow down. It is inevitable that once you get to the leading edge of income per capita, you lose the benefits of fast growth from catching up. Many governments have trouble adapting when the economy shifts from very high growth to slower growth.

One of the hopeful signs about Asian development generally is that there is a fairly broad consensus now about the gains from trade—a consensus that trade is good for all participants. Increasingly, people recognise that it is not just trade with the United States but trade amongst themselves that can be beneficial. This is a wonderful development because there

are enormous gains from trade at the level of the growing countries in this region. One of the unintended consequences of a recession in the United States and a slowdown in imports from the United States is that governments and entrepreneurs worldwide start asking where else in the world they can sell to besides the United States. This will further encourage the development of more trade between the developing countries and the world, rather than just with the rich nations today.

One of the most important lessons from history is that growth continues and even speeds up when more people are innovating and trading with each other. Steadily expanding trade will help this region and the world increase the rate of discovery. With good policy that supports increased economic integration, growth at the rate that the US achieved in the 20th century, or perhaps even growth at somewhat faster rates, can be sustained into the foreseeable future. 

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Paul Romer is a senior fellow at the Stanford Center for International Development (SCID) and the Stanford Institute for Economic Policy Research (SIEPR). At SCID and SIEPR, Professor Romer is working on policies that could circumvent the political and institutional roadblocks that throttle catch-up growth in some of the world's poorest countries. For being the primary developer of New Growth

Theory, Professor Romer was named one of America's 25 most influential people by TIME magazine (1997), and elected a fellow of the American Academy of Arts and Sciences (2000). He taught economics at the Graduate School of Business at Stanford University, the University of California at Berkeley, the University of Chicago, and the University of Rochester. In Singapore as part of the Monetary Authority of Singapore's Eminent Visitor Programme, Professor Romer was interviewed by Donald Low, Associate Fellow of the Centre for Governance and Leadership, Civil Service College on 25 January 2008.

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#### NOTE

1. Launched in April 2006, the Commission on Growth and Development ([www.growthcommission.org](http://www.growthcommission.org)) brings together 21 leading practitioners from the government, business, and policymaking arenas, including Singapore's Senior Minister Goh Chok Tong. The Commission is chaired by Nobel Laureate Professor Emeritus Michael Spence.

## The ETHOS Roundtable The Changing Face of Government

*The ETHOS Roundtable brings together thought leaders and practitioners to discuss key issues of interest to the public service. In this session, three eminent participants in Singapore's inaugural Leaders in Governance Programme reflect on the evolving challenges facing public sectors around the world today.*

**DR ASHRAF HASSAN ABDELWAHAB**, Deputy to the Minister, State for Administrative Development, Egypt

**MR MOTHUSI BRUCE RABASHA PALAI**, Permanent Secretary Ministry of Labour and Home Affairs, Botswana

**MR FENG TIE**, Counsellor, Department of Hong Kong, Macau and Taiwan Affairs, Ministry of Foreign Affairs, People's Republic of China

**From your perspective, what are the main issues and challenges facing the public sector today?**

**ASHRAF:** I'll take this question at two levels. At the local level, in Egypt, our challenge is that the number of public servants has risen greatly—we have 4 million at the moment, and we need to get back to a more sustainable 1.8 or 2 million. So we are working on how to restructure government without causing unemployment.

Another issue is how to improve public service culture, how we serve our customers, the way we do business with different sectors and how to encourage innovation in the public service. We

need to think about how to provide good incentives, leadership and an environment that fosters this sort of culture. I think this is also a global challenge.

**PALAI:** In a developing country, the government still has an extremely important role to play in growing the economy. They have to create the necessary environment—policies, regulations, laws—to ensure that businesses can then take root and do what they do best. Therefore, the issue of public service culture is an important one—they have to begin to see their role in the bigger picture, as part of a larger economy, and

learn to be more business-oriented. In the last 30 to 40 years, we have not emphasised enough their role as servants of the public in this way, and it is time we went back to basics.

There are also issues of coordination across different sectors—individual needs may involve many different pieces of information and processes across different ministries, and we need to achieve synergy among them.

The other is an issue of expectations. Because of communications that have opened up all over the world, people—even in the developing world—know what goes on, say, in Singapore. They may not have been there themselves, but they know life can be better. This creates a serious expectation gap, particularly when we have a group of people at First World level in a country that is Third World. But this is also how organisations are going to convince people, for example, that if your production takes forever, you are not going to be able to compete with people in Singapore. The pressure on government is tremendous.

**FENG:** China is now at a very crucial stage of its development and reform. We actually introduced reforms and an opening up of policies 30 years ago, and over the past 30 years, I think we have made tremendous progress in terms of economic and social development. We

had a very important Party Congress last year and our aim is to achieve a fairly comfortable life for our people by the year 2020. Our goal is to quadruple our 2000 GDP by the year 2020, so that it will reach US\$4 trillion, or US\$3,000 per capita.

One challenge we face is how to promote balanced development—to ensure rapid yet sound and sustainable economic growth. How do we expand our socialist democracy and better safeguard people's rights and interests as well as preserve social equity and justice? Another challenge is to preserve the natural environment and climate, and to promote an energy and resource-efficient economy.

Against this big picture, we believe the role of the public sector is to accelerate reforms of the administrative system towards a service-oriented government. Singapore is fortunate to have just one tier of government; we have at least five tiers, including central, provincial and municipal levels. And they are all public servants. Yesterday, one of my colleagues asked how many public servants we have—I said I don't know.

We are still developing a masterplan for administrative reform; we need to improve the government's accountability system, and separate the functions of government from those of enterprises. We have to standardise the relationship

between the different tiers of government, downsize certain functions and coordinate across the system. This is a huge challenge.

**As governments become more lean and efficient, how can they continue to play a crucial role in economic and social development?**

**ASHRAF:** The role of government has changed. At some point, the government owned everything: all the factories, companies, the economy, and it was responsible for education, health and so on, and everyone served the government, not the other way around. Centralised government promised people the following: “You just work, we will take care of you”. Now we have moved to a different kind of economic structure where the government’s role in industry has to be reduced, because running a company requires more nimble management. Most of the time, governments do not know how to do what the private sector does easily. So you should try to find someone who is capable of running the company better than the government. But you shouldn’t just leave the private sector and citizens to face off without arbitration.

There is a stronger role than ever, in terms of regulation. You should be intervening at the right time and having some sort of leverage over the market. Governments have to monitor market

sectors and provide the necessary frameworks and logistics to make sure that there is competitiveness, the market is open to different players and citizens’ rights are preserved.

Governments, apart from being regulators, also have to look ahead, see what is on the horizon, and plan for the future.

There is a stronger role than ever, in terms of regulation. You should be intervening at the right time and having some sort of leverage over the market.

**PALAI:** The challenge for governments is to develop the necessary capacity to understand and leverage on globalisation for national benefit, without necessarily increasing the bureaucracy to do so.

I think it is key to stay only in the few areas where government is really needed, such as security, and roll back in other areas to create space for people. Why, for example, am I regulating so many businesses? What if I say: “Ok, all I do is check that you’re legitimate and not tied to a terrorist organisation, and then you carry on”? I think this has to be part of the rethinking of government.

Increasingly we are beginning to



accept that wealth creation is better done by individuals and individual companies than by government. So the public sector has to develop a new service culture which says, I work for you. If you want a license to get on with business, I give it to you and you then go on to create the wealth.

Governments also get greater value out of taxes from private enterprise, rather than by trying to run businesses themselves.

The challenge for governments is to develop the necessary capacity to understand and leverage on globalisation for national benefit, without necessarily increasing the bureaucracy to do so.

**FENG:** I notice that the Singapore Government plays a very strong and positive role in the economy. It means that government still has a very important role to play in a market economy.

In China, one aspect of being a service-oriented government is to provide service quickly and effectively, for example in approving an application for starting up a company. Another service is in providing a good environment and infrastructure to attract investments and development. Governments will also be needed to make

good regulations; tax policies, for example, have to be attractive to foreign investors.

But when government provides a service, it is not always passive. Sometimes you have to be very active, because globalisation can be resource intensive and involve a lot of risk. The government must have a vision. It plays an important role in pushing for economic transformation, particularly in developing countries.

**As economies grow at a rapid place, the gap between haves and have-nots is also widening. How should governments address this challenge?**

**ASHRAF:** I think it is the social responsibility of the government to make sure that society is moving together. Government has to provide the policies and regulations to make sure that everyone has a share, and that it's not just wealth accumulated by one group of people, because of unequal education, skills or health or whatever reasons. Economic growth should benefit society overall.

But growth is a tool for solving other problems, such as the eradication of poverty for example, and social stability. You have to have growth and wealth to ensure social stability. Otherwise, it will fall apart because people will start to feel poor, and lost, and fight among themselves.



**FENG:** Inequality is a big problem facing China, due to unbalanced development between the different regions, and between urban citizens and rural farmers. We are in the process of reforming our distribution system. That is to say we will stick to and improve the system whereby distribution according to work remains the predominant mode and co-exists with various other systems. As a government, we should also allow the factors of production, such as labour, management expertise and technology to play a role in distribution. Nevertheless, I think it's important to strike a balance between efficiency and equality. This is why the government will continue to have a very big role to play. In China, we try to subsidise low income families and so on, and there is much more we can do.

**PALAI:** What I see in Singapore is that you were careful not to make too many tradeoffs on economic growth for the sake of social ideals. You chose to solve the question of poverty and inequality through growth, which does not undermine self-reliance. The thing is, governments have to help, but help in a different way, one that does not undermine society and culture. We have to help people to grow out of their own poverty.

**From your time in Singapore at the Leaders in Governance Programme (LGP), is there**

**anything else that you have observed to be useful?**


**ASHRAF:** I think your social schemes such as housing and CPF (Central Provident Fund) are very important, because it helps social cohesion. Egypt has a pension scheme, but it doesn't cover housing, for example. So, why don't we consider housing as a tool to motivate people? I have a house; I work to pay for instalments with a CPF account. We may be able to adapt this to our environment.

When government provides a service, it is not always passive. Sometimes you have to be very active, because globalisation can be resource intensive and involve a lot of risk.

**FENG:** I have the same feeling about public housing and also the public transport system. It's very impressive, actually. In Beijing, we are now beginning to build more lines. We have a larger population and it is more difficult, but I think some of the policies you have adopted to promote public transport, to limit private cars, are very helpful.

Also, your emphasis on recycling water is also quite impressive. Beijing is a city in shortage of water, so I think it

is something from which we can draw some experiences.

**PALAI:** For me, it is a matter of your leadership and execution, the will to stand up and make it work and get results. You go out and look for opportunities, and create things that are not there yet, at a very high level. I feel sometimes governments talk and plan forever, they over-consult. They spend too much time thinking through things and they miss opportunities when they could have leveraged on what they have got. We have to be prepared to make mistakes; if we think there's an opportunity, let's go for it. 

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The ETHOS Roundtable was conducted by ETHOS Editor Alvin Pang in January 2008. Dr Ashraf, Mr Palai and Mr Feng were participants in the inaugural Leaders in Governance Programme (LGP), organised by the Singapore Civil Service College from 13 to 23 January 2008 in Singapore. Drawing from Singapore's development experience, the LGP offered practical insights into the fundamentals of good governance and effective policy implementation for sustainable economic development and social cohesion. Over the eight-day Programme, participants interacted with senior government officials and thought leaders, and visited key government agencies to understand their operating philosophies and systems.

## Erratum

The publisher apologises for the error in citation for Hoon Hian Teck's commentary in *Ethos*, Issue 3, October 2007. It is reproduced correctly below.

### NOTE

2. Hoon, Hian Teck and Ho Kong Weng, "Distance to Frontier and the Big Swings of the Unemployment Rate: What Room is Left for Monetary Policy?", Kiel Working Paper No. 1347, Kiel Institute for World Economics. (Paper originally presented at conference entitled, "The Phillips Curve and the Natural Rate of Unemployment," organised by Kiel Institute, Kiel (Germany), 3-4 June, 2007.)



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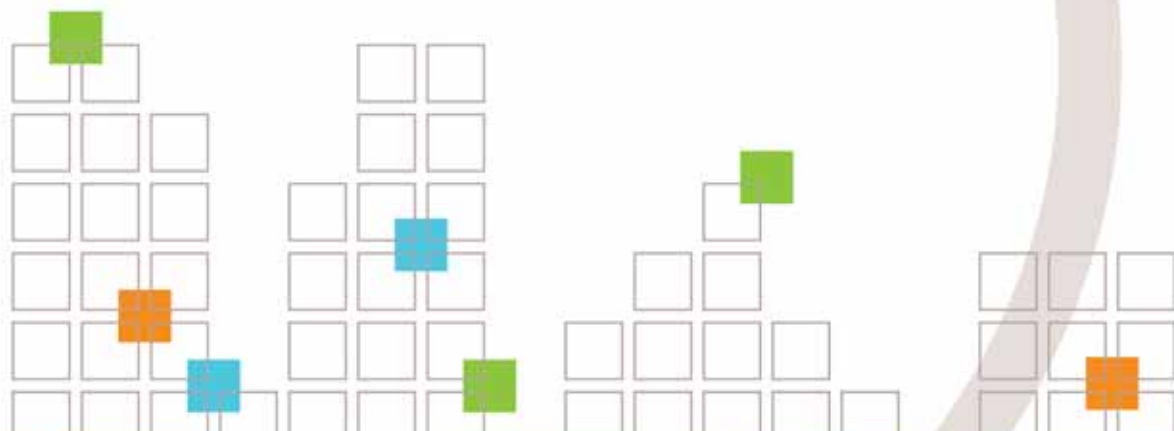
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