

## Articles on Public Sector Management Reform in *Jakarta Post*

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### **Leadership, strategic thinking and planning drive good government**

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Osborne and Gaebler in their seminal book *Reinventing Government* likened governments to different types of people -- those who make things happen; those who watch things happen; and those who don't know what hit them.

Unfortunately, most governments still fall into the last category, and it is the poor people who suffer most when financial, environmental or security catastrophes occur. Good governments now use strategic planning to improve governance; to achieve better performance from their Public Service and to anticipate the future.

This article provides an approach for Indonesian governments as they start making choices about the next five years -- how will they improve resource allocation? How will they deliver better services and infrastructure? How will they reduce poverty and promote economic development? Government and community leaders urgently need to find answers to these questions. The process to guide them is strategic thinking and planning.

Strategic thinking and planning answer the questions all organizations should be asking -- Where are we now? Where do we want to be? How will we get there? Implementing strategic planning is more about the attitude and commitment of leaders than producing a lengthy document or a web site.

Leaders need to establish and communicate a clear vision and set achievable objectives whether their organization is a government or an entity in the public, private or social sector. The terms "say what you mean and mean what you say" and "walk the talk" apply. This is true leadership.

Strategic planning processes begin with an honest assessment of the current position by asking direct questions -- What are our resources? How is our financial position? Who are our people, what is their capability and who are our stakeholders?

The most difficult question for government organizations to answer is what business are they in. Business does not mean being commercial or profit-oriented, business is the reason for an organization's existence.

For example, the core business of a government postal service is transportation, not all the functions it undertakes. When the business is determined, the path towards improved performance becomes clearer. If the leaders of an organization cannot answer this question, then probably that organization is unnecessary.

Following an honest situation assessment, the accepted analysis technique examines the strengths and weaknesses of an organization being the internal factors, and then opportunities and threats -- the external influences (SWOT).

The outputs from this analysis will be a number of key success factors that form the basis of strategies. Strategies then lead to the required outputs or results that define performance, which then determine functions or tasks.

Assessing the current position requires measurement, monitoring and evaluation of outputs and outcomes from the previous planning cycle to determine whether policy objectives are being achieved. The purpose of evaluation is to learn from the past and not keep making the same mistakes.

To assure performance throughout the public sector, the strategic thinking and planning process must be applied on a whole of government basis by all public sector organizations using cascaded objectives and priorities. Under existing regulations on planning, regional government produce up to thirty different planning documents.

Most of them not strategic; they do not improve organizational performance or effectiveness and they are not owned or even prepared by those responsible for implementing them. This leads to a huge gap between planned activities and reality.

Strategic thinking and planning needs to "join up" the various elements of performance improvement. These include individual performance agreements, performance budgeting, resource and technology strategies and human resource management.

Many public sector managers have become cynical about the value of planning because of the failure to link plans with performance, or to give responsibility and authority to those being held accountable. This must change. Good governments now run by using strategic plans as transparent road maps, marketing tools and performance/accountability reports.

Having determined strategies, governments can then refine their structures to meet these strategies, as structure should always follow strategy. The current Indonesian system of administration uses the opposite approach -- it firstly defines organizations, and then attempts to match tasks to these structures.

A whole of government review of structures based on clear objectives, priorities and principles is essential if Indonesia wants to lift economic, social and environmental performance.

The Regency of Jembrana in Bali provides an excellent Indonesian example of all the benefits that good leadership, strategic thinking and planning can deliver -- better government and satisfied citizens. Indonesia does not need to reinvent government; just apply these local lessons across the whole country.

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