Performance Management in Singapore’s Public Service

Submitted by: Singapore
PERFORMANCE MANAGEMENT IN SINGAPORE’S PUBLIC SERVICE

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Why Manage Performance?

- **Budgeting framework:**
  - Ministries’ block budgets to manage bulk of programmes
  - Bid for additional resources for special projects or initiatives

- **But Ministries have more ideas than available resources**
  - Need to ensure that resources are well-allocated and well-spent
  - Ministries’ autonomy

- **Use of performance management**
  - Self-evaluation tool for Ministries: measuring performance against targets
  - Accountability across government
  - Budgeting at government-wide level: tying Ministries’ performance to allocated budgets
Budget Management Framework

- Desired Outcomes
- Secure Singapore
  Long-term fiscal sustainability
- Responsible Government
  Efficient & effective public service

- Establish Limits
  Block Budgets
  Budget Utilisation targets
- Maximise Discretion
  Block Budget System
  Budget flexibility
- Manage Costs
  Resource Accounting
  Financial Management Indicator (FMI)
- Achieve Value for Money
  Best Sourcing
  Demand Aggregation

Performance Management Tools

- Periodic consultations with ministries
- Ministries’ performance reporting
Performance Management Tools

Tool 1: Periodic Consultations with Ministries
- Platform for engaging ministries

Tool 2: Government-wide Outcomes
- Government-wide orientation
- Facilitates inter-agency planning

Tool 3: Ministry Reporting Mechanism
- Report Ministry-level performance
- Public Service 21 Initiatives

Tool 4: Corporate / Individual Performance Management
- Individual Performance Appraisal
Ministry Reporting

What is it?
- Performance Reporting by Ministries
- Quantitative and qualitative management tool

Quantitative

- Budget Utilisation Trends
- Revenue & Expenditure Trends
- Trend in Key Performance Indicators

Qualitative

- Engage Ministries in strategic conversations on how well they are achieving their desired outcomes
- Adjustments to key performance indicators to better capture performance
Guiding Principles for KPI-setting

Principle 1: Review Key Performance Indicators (KPIs) annually to ensure relevance

Example: Singapore already has one of the world’s lowest infant and maternal mortality rates. Although we monitor these indicators internally to ensure that our standing does not deteriorate, these are not useful indicators to drive further improvements in our healthcare system.

Principle 2: Keep KPIs to a critical few to preserve clarity and focus

Principle 3: Set longer-term targets so as to prompt ministries to think ahead and be in time for the future

Principle 4: Analyse KPI performances over a period of 3 to 5 yrs to determine broader trends e.g. trends in unemployment
Challenges in Measuring Outcomes

Challenge 1: Difficult to design Key Performance Indicators (KPIs) that measure policy outcomes accurately; most typically measure inputs or outputs.

Challenge 2: Block budgets weaken the link between performance and budget allocation.

Challenge 3: Tying budgets to performance indicators may not always be optimal; KPIs need to be carefully interpreted.
Future Steps

- Deepen engagement with Ministries on performance issues
- Widen exposure of senior public officers to government-wide perspectives
- Simplify reports to make it ‘user-friendly’