

Initiative 9.5 – Blue Book

Programme for Implementing Value-Based Performance Management

Summary

This programme is aimed at building on the previous Blue Books – ‘Performance-Linked Compensation’ launched in 2004 and version 2 ‘Intensifying Performance Management’ launched last year – to provide tailored and comprehensive support to GLCs in their implementation efforts. It tailors implementation to the unique starting point and needs of each GLC by introducing a 3-stage performance management implementation framework.

To help GLCs progress through these stages, 4 modules of support are provided: 1) setting aspirations 2) boosting capabilities 3) sharing success and 4) ensuring continuous improvements.

These modules will be launched in 2007, with an initial focus on G20 GLCs. With a four-year horizon, the ultimate goal of this programme is to help GLCs firmly establish a performance oriented culture and drive sustainable value creation.

FAQ

What is the purpose of the programme?

The main objectives of this programme are 1) to tailor performance management implementation to the unique needs of each GLC by introducing a 3-stage implementation framework 2) to comprehensively support the performance management implementation efforts of GLCs, through specific modules focusing on key areas of implementation 3) to create a link that integrates all performance improvement activities including the GLC Transformation Initiatives. Ultimately, this programme aims to help GLCs implement performance management improvement initiatives that will create a performance oriented culture and drive sustainable value creation.

How is this programme different from the initial blue book efforts?

This programme follows the same guidelines contained in previous Blue Book initiatives and builds on those guidelines further by 1) segmenting the implementation into 3 stages tailored to address different starting point and need of each GLC 2) providing comprehensive support along 4 modules over a 4-year horizon to help GLCs progress through stages of performance management implementation. These modules are a) setting aspirations b) boosting capabilities 3) sharing success 4) ensuring continuous improvement and 3) Creating a link that integrates all performance improvement activities including GLCT initiatives through the value-based performance management aiming for sustainable value creation

How long is the programme?

This programme will kick-off in January 2007 and implemented over a four-year horizon:

- Module 1: Setting aspirations – runs in 2007 for 3-6 months
- Module 2: Boosting capabilities – begins in 2007 and continues in 2008
- Module 3: Sharing success – begins mid 2007 and continues in 2008
- Module 4: Ensuring continuous improvement – runs across 4 years from 2007 to 2010

What is expected of GLCs in the programme?

For GLCs to benefit fully from the programme, they are expected to participate actively in the relevant parts of the programme. Specifically, the programme modules are initially focused on G-20 GLCs (a selection of twenty GLCs held by the Government-Linked Investment Companies (GLICs) constituents of the PCG), with potential expansion to beyond G-20 during 2008.

- Over 2007, G-20 GLCs will conduct preliminary diagnostics to identify potential improvement opportunities and set aspirations; and develop clear roadmap for each G-20 GLC to pursue performance management implementation, with main focus on following twelve months.
- During 2007-2008, G-20 GLCs will also participate in a series of educational workshops and training sessions, designed to boost capabilities in specific areas of performance management implementation.
- Pilots will also be conducted at selected GLCs (from among G20) starting mid-2007 to create learning and success stories to be shared among GLCs, through channels such as the Performance Management Circle and newsletter.
- Starting from 2007, G20 GLCs have to conduct annual review of their performance management implementation (in line with the initial diagnostic) to help drive continuous improvements.
- From 2008, the programme will be potentially rolled-out to GLCs other than the G-20.

What is expected of GLCs Managements and Boards in the programme?

The CEO sets overall priority and implementation approach, particularly the scope and relative phasing of performance management improvement actions and assign implementation champion. **The Implementation Champion**, potentially the CFO, Head of Strategy and Head of Human Capital, will lead the effort though the 4 programme modules together with the team including other senior management. **The Board of Directors** (including Nominee Directors) will be important stakeholders in reviewing and committing to annual GLC performance management improvements.

Where can GLCs seek clarification and assistance to implement the programme?

- The Transformation Management Office (TMO), located within the Secretariat to PCG, will be the central point to answer questions and provide assistance regarding the implementation of the programme. TMO can be contacted at:
 - Phone: 03 2034 0000
 - Email: tmo@pcg.gov.my
 - Website: www.pcg.gov.my