

Strategic Management Practices in the Public Sector in Malaysia: Issues and Challenges

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This article explains the current practices of strategic management in the public sector in Malaysia, specifically the federal agencies level from the lens of its leadership and practitioners. Grounded by a theoretical framework, lessons learned and experiences of the informants, the article enlightens real problems and dilemmas behind the dynamism of the strategic management practices among public managers. Applying thematic analysis in the research issues such as capacity and capability of the public managers, inter-division silos, contrast of audit report and real practice and unprecedented challenges in public policy and its leadership are recognised among the factors that contributed to the needs of the new model of strategic management in the public sector. It recommends to re-conceptualise the view toward challenges in strategy-making, particularly in developing an all-inclusive strategic plan for federal agencies or ministries. It also proposes to synchronise strategic planning, scenario planning, performance measurement, risk assessment and budgeting strategies to be integrated more thoroughly as a comprehensive instructional model in strategy formulation of the agencies. These elements are suggested to address the highlighted issues of strategic management practices and public spending in the public sector of Malaysia.

Key words: *Public sector, strategic management, strategic planning, scenario planning, performance management, budgeting.*



Introduction

The review of the literature concerning the topic of strategic management in Malaysia is still limited in publication. There were various sectors of management that have been written regarding strategic management in government-linked companies (GLC) (Samad, 1996), concepts and principles (Book, 1999), practices in local authority (Yusoff, 2008), practices in public universities (Abdul Kadir, 2012) and private universities (Bahroom, Latif, & Zarin, 2014), the construction industry (Bakar, Tufail, Yusof, & Virgiyanti, 2011), engineering contractors (Zakaria & Omar, 2013), public relations in slope development (Tazin & Yaakop, 2015), accounting in Malaysian hospitals (Abdul Rahman, Azhar, Abdul Rahman, & Mohd Daud, 2012) and in the electrical and electronics industry (Noordin, Zainuddin, Fuad, Mail, & Sariman, 2015). Literature reviews on the topic of strategic management practice in the public sector in Malaysia, focus on local authority (Yusoff, 2008), higher education (Abdul Kadir, 2012), healthcare (Abdul Rahman et al., 2012), small-medium enterprise (Hashim & Wafa, 2011) and GLC (Samad, 1996). There was a lack of information explaining the principles, models and practices of Malaysian public sector in general.

An article derived from two prominent scholars, Birger Wernerfelt and Michael Porter, explains the influence of two main theories in strategic management, namely resource-based view (RBV) (Wernerfelt, 1984) and positioning theory (Porter, 1985) in strategy formulation by public managers in Malaysian public services. While RBV emphasises internal factors such as human resource, finance and value system, positioning theory explains the needs of any organisation to position their capacity to achieve competitive advantage (Opata, Sarbah, Nusenu, & Tetteh, 2017). These two internal and external factors of organisations have been framed as the most likely method to be used in environmental scanning of the public sector, especially among federal agencies.

Based on the richness of document analysis and the real experiences from the informants who are divided into two groups namely top management and middle management, the article will explore recent issues and practices of strategy formulation, strategy implementation and the challenges faced by public managers in the execution of their respective strategic planning. The emergence of another field of management, such as scenario planning, outcome-based budgeting, performance management and risk management, was risen and suggested by the informants, which was supported by pieces of literature and have been practiced in most developed countries. This will be highlighted as part of recommendations for further studies.

Literature Review

RBV and Positioning Theories in Environmental Analysis

Strategy formulation practices among federal agencies are influenced by a resource-based view theory (Wernerfelt, 1984) and positioning theory of competitive advantage (Porter, 1985). RBV focuses on specific types of resources inside a firm, such as strategic leadership and tacit knowledge while Positioning theory explained how firms or organisations can strategically lead the competition through apparent advantages such as market and product (Hoskisson & Hitt, 1999).

The RBV and Positioning theoretical influences can be seen through the practice of SWOT Analysis (Humphrey, 2005) or TOWS Analysis during the environmental scanning process in strategy formulation by public managers. Scholars such as Flemming (2014) agreed that any planning model that an organisation is developing should start with the SWOT analysis. Generally, SWOT analysis is used to investigate both the interior (strengths and weaknesses) and their exterior (opportunities and threats) of the firm (Guerras-Martín, Madhok, & Montoro-Sánchez, 2014). However, Gurel & Tat, (2017) suggest that implementing SWOT in strategy formulation is not sufficient. Therefore, the effectiveness of SWOT can be improved by combined new analytical methods qualitatively or quantitatively to get better dimensions and outcomes of the analysis. This is supported by Helms & Nixon (2010) that argued SWOT analysis should be combined with other tools such as Porter five forces analysis and 7S McKinsey's framework and not used in isolation.

However, strength and weaknesses are usually associated with a specific tool such as 7S McKinsey to analyse internal issues of an organisation (Gurel & Tat, 2017; Hussey, 1998; Mcmillan & Overall, 2016). On the other hand, opportunities and threats are associated with PESTEL Analysis to explore external issues that affected the organisation (Yüksel, 2012).

Environmental Analysis Theoretical Framework

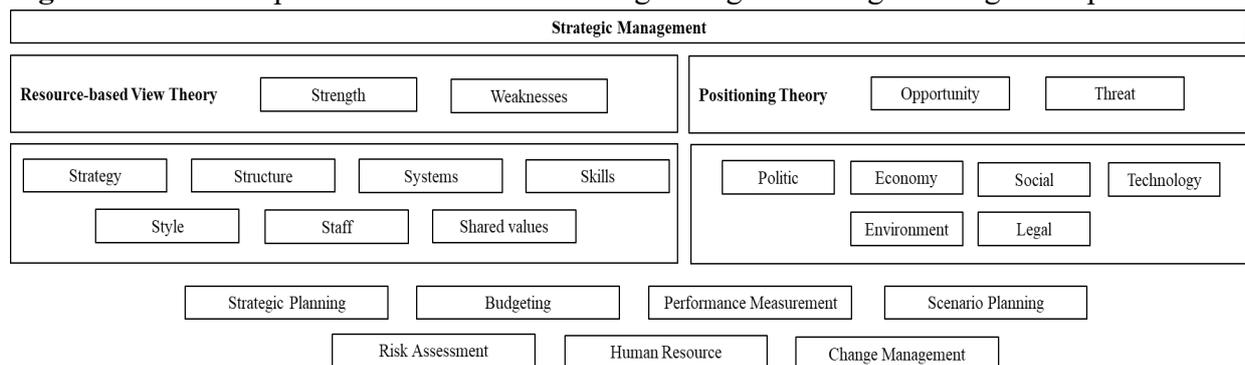
Conceptualised from theories of RBV and positioning, leveraging the practise of SWOT analysis through the frame of 7S McKinsey analysis and PESTEL analysis, the issues and barriers in the implementation of strategic management encompass the needs of the integration of other kinds of sub-management fields such as strategic planning, budgeting, performance measurement, risk assessment, human resource, change management and scenario planning. Not to argue any fields of management are more significant than others, or which theory is supposed to be larger than the other, the idea that most arguments and critics from works of literature can be seen during the strategy formulation process, where limitations and problems have risen is inter-related among the internal and external environmental scanning. Figure 1 illustrates the concept of environmental analysis during the

strategic management process and the need to address the tool's weaknesses through the integration of the sub-management field as proposed. The study of the strategic plan and interview analysis from the informants discovered a few new elements that will influence the effectiveness of the strategic management process among public agencies.

Methodology

The study combines two research designs in exploring issues and challenges of practising the strategic management in the public sector in Malaysia, which are firstly using document analysis and secondly by in-depth interview analysis. In understanding the norms and practices by each federal agency, all the 26 documents from federal agencies has been studied and analysed. Most of the plans were published back in 2016 and before and in the range of 5 years 11th MP plan which is 2016 to 2020.

Figure 1. The concept of environmental scanning during the strategic management process



However, since this study attempts to analyse the practice of the strategy formulation, issues on the strategic plan's time frame are not related. The exception is given to Ministry of Entrepreneurship Development (MED) since it has just re-established back in 2018 after the historical win of Pakatan Harapan in 14th General Election 2018. MED was formerly known as MECD during the premiership of Tun Abdullah Ahmad Badawi before 2009.

The federal agencies of Malaysia encompass 5 federal departments and ministries that are accountable for human resource, finance, economy, management planning and implementation coordination. As a reflection on its name, these agencies are Public Service Department (PSD), Ministry of Finance (MOF), Ministry of Economic Affairs (MEA) (formerly known as Economic Planning Unit or EPU), Malaysian Administrative Modernisation and Management Planning Unit (MAMPU) and Implementation and Coordination Unit (ICU). The PSD, MAMPU and ICU are taken into the responsibility of the Prime Minister Department's (PMD) administrative, where PMD itself take responsibility as a centre of administration for fifty-five multi-role agencies under it. Twenty other ministries

play a different function of the government, as stated in Table 1. The function of each ministry, federal departments, statutory bodies and government-linked company under the ministry were established, which helps the minister perform the function based on the minister act. Examining the content from each plan, the author thoroughly analysed the elements in the concept of environmental scanning as stated before, as well as the elements of sub-field of management.

In-depth interviews have been conducted with five informants from federal departments and ministry, precisely one from MAMPU, two from PSD, one from MOF and one from the National Institute of Public Administration (INTAN). All of the informants were at the top and middle management level which is Grade 54, JUSA C and above. The justification of selection for each agency is because their nature of business is related to the strategic management process, strategy formulation for budgeting and human resource of the Malaysian public sector. An exception is INTAN as its focus is on training. Each of them possesses a directive power in that sense issuing circulars as part of the imperative mechanism for public service agendas. In this context, strategic management is put under the purview of MAMPU, budgeting is under MOF and general directive for public service is under PSD. Using thematic analysis, details of issues and challenges that taken out from the literature, document analysis and interviews will be articulately presented and elaborated.

Results and Discussion

Strategic Plan Analysis and Expert's Discourses

Table 1 explains the analysis of each strategic plan in the context of strategic management practices. Eight (8) elements of management proposed by the discussion above were taken as guidance in analysing each of the strategic plans.

Vision, Mission and Environmental Analysis

All agencies formulated their vision and mission based on the main government document, which is the 11th Malaysia Plan (MP). The 11th MP then was revised in 2018 right after the new leadership of Tun Dr Mahathir Mohamad took the cabinet premiership. This is shown in Table 1 below:

Table 1: Analysis of each Malaysia federal and ministries' strategic plan in the context of strategic management practices

Elements/ Ministries/ Departments	Elements of Strategic Management							
	Vision	Mission	Environmental Analysis	Strategic Thrusts/ Objectives/ Programs/ Activities	Budgeting	Scenario Planning	Performance Measurement	Risk Assessment
PMD	General	General	Internal & External ERRC	Issues- Based	NIL	NIL	KPI Output	NIL
PSD	Centralised	Core Business	Internal & External	Issues- Based	NIL	Multi- variable	KPI Outcome	NIL
MOF	Centralised	Core Business	Internal & External	Issues- Based	NIL	NIL	KPI Output	NIL
MAMPU	Centralised	Core Business	Internal & External	Issues- Based Relate to MP	NIL	NIL	KPI Output	NIL
EPU*	Centralised	Core Business	NIL	Core Business	NIL	NIL	KPI Output	NIL
ICU	Centralised	Core Business	Internal & External, Stakeholder	Issues & Stakeholder Based	NIL	NIL	KPI Output	NIL
MFT	Centralised	Core Business	Internal & External	Issues- Based Relate to MP	NIL	NIL	KPI Output	NIL
MOSTI*	Centralised	Core Business	Internal & External	Issues- Based	NIL	NIL	KPI Output	NIL
MOH	Centralised	Core Business	Internal & External	Issues- Based Relate to MP	NIL	NIL	KPI Output	NIL
MUWHLG*	Centralised	Core Business	Internal & External	Issues- Based Relate to MP	NIL	NIL	KPI Outcome	NIL
MINDEF	Centralised	Core Business	Internal & External	Issues- Based	NIL	NIL	KPI Outcome	NIL
MITI	Centralised	Core Business	Internal & External	Issues- Based	NIL	NIL	KPI Output	NIL
MOE*	Centralised	Core Business	Internal & External Stakeholder	Issues- Based	Cost- Benefit Analysis	Multi- variable	KPI Output	NIL
MOFA	Centralised	Core Business	Internal & External	Issues- Based	NIL	NIL	KPI Output	NIL
MCM	Centralised	Core Business	Stakeholder	Issues- Based	NIL	NIL	KPI Output	NIL
NRE*	Centralised	Core Business	External	Issues- Based	NIL	NIL	KPI Output	NIL
MOTAC	Centralised	Core Business	Internal & External	Issues- Based	NIL	NIL	KPI Output	NIL
MOW	Centralised	Core Business	Internal & External	Issues- Based	NIL	NIL	KPI Output	NIL
MRD*	Centralised	Core Business	NIL	Core Business	NIL	NIL	NIL	NIL
MPIC*	Centralised	Core Business	Stakeholder	Core Business Relate to MP	NIL	NIL	KPI Output	NIL
MOA	Centralised	Core Business	Internal & External	Issues- Based	NIL	NIL	KPI Output	NIL
MOHR	Centralised	Core Business	Internal & External	Issues- Based	NIL	NIL	KPI Output	NIL
MOT	Centralised	Core Business	NIL	Issues- Based	NIL	NIL	KPI Output	NIL

MDTCC*	Centralised	Core Business	Internal & External	Issues-Based	NIL	NIL	KPI Output	NIL
MYS	Centralised	Core Business	External	Issues-Based	NIL	NIL	KPI Outcome	NIL
MWFCD	Centralised	Core Business	Internal & External	Issues-Based	NIL	NIL	KPI Output	NIL

**agency's official name before 14th general election*

Except Prime Minister Department (PMD) which is responsible for general administrative and management of PMD's agencies, all ministries and departments adopted their vision and mission grounded by their core business and the central plan of the government. In the strategy formulation process, 23 agencies applied an internal environmental scanning mostly looking at the capacity and capability of their human resources, which is part of the RBV theoretical foundation. The informant 1, a high-rank officer at PSD argues that the agency tendencies to analyse their human capital through an internal environmental scanning reflected the agency's commitment to preparing the best resources in implementing high impact strategies for people's wellbeing. Human resource is just part of the agency's internal analysis. The practice of 7S McKinsey assisted public managers to explore what other internal issues might affect the organisation, informant 1 explained. Seconded to this argument, informant 4 argued that 7S McKinsey would help public managers to search the strength and weaknesses of their organisation.

Analysing through an external lens, almost all of the agencies used the PESTEL analysis in elaborating real issues which encircle the agencies. PMD, in this context, chose to use Eliminate, Reduce, Raise and Create (ERRC), an environmental analysis tool derived from Positioning Theory in the Blue Ocean Strategy (Bahroom et al., 2014). Four agencies implemented stakeholder analysis to support their environmental scanning. Supporting this phenomenon, informant 1 argued that using PESTEL as well as ERRC as a tool in an external analysis is much easier for the public manager, in the framework of opportunity and threat in SWOT analysis. However, the public managers themselves need to understand and know how to use it correctly. Informant 2 who is a director of planning at PSD, maintained this argument by stating that it is an everlasting yet usual practice among public managers by using SWOT, 7S McKinsey and PESTEL in analysing their environmental challenges. Informant 4, a director of MAMPU, added that public managers need to be very careful in using these tools because "wrong tools application will yield incorrect results". Besides SWOT, Informant 5, who is a top manager at INTAN, proposed to consider ERRC to analyse competitors and how to compete from 'red ocean' market to the 'blue ocean' environment. ERRC itself can be used to understand and analyse the organisational leadership through what scholars called 'Blue Ocean Leadership' (BOL) (INSEAD, 2019), he added.

Strategic Thrusts / Objectives

Analysis of each agency's strategic thrusts or strategic objectives revealed that all agencies formulated their thrusts or objectives based on the agency's strategic issues. These were identified in the environmental scanning process. However, only a few agencies aligned their strategic objectives with the social outcomes as framed in the 11th MP. It is critical that the agency's strategies must be strategically aligned with the MP, as what informant 1 emphasised:

“MP is a must document that the agency need to refer when doing strategic planning. However, due to its nature, MP not covers all core business for each agency specifically. Therefore, it has a priority area that set up national outcomes for each operational expenditure and development expenditure. Means that each agency's strategic plan will have some part of MP key result areas and the rest will be based on its core business that also contributes to the national agenda.”

The 11th MP will be the main guidance to each agency in order to formulate their strategies, spending the funds given and most importantly, to measure the effectiveness of the strategies and targeted goals. Informant 3, a policymaker and practitioner at MOF, argued that public managers need to understand the relationship between the vertical and horizontal alignment of MP. It means they have to know how to relate the lowest level of activities with the highest level of national outcome horizontally and to relate between operational expenditure and development expenditure, vertically. Furthermore, he emphasised the nature of MP will always be consistent in terms of its national outcomes, regardless of any changes of goals period and re-assessment as what happened after 14th general election. Informant 4 accentuated the critical need of MP in strategy formulation by stressing the MP's key result areas should be an essential value when considering programs and activities to avoid any misconception, overlapping and conflict among agencies. Arguing in the same context, Informant 5 described the need for agencies to take MP's essences and to look at the big picture in building organisation capacity and capability, examining the gap and determining focus areas to be developed.

Budgeting

Except for MOE which uses cost-benefit analysis in their strategy formulation, all agencies were not integrated by any budgeting elements in the strategic plan. Recently, the practice of budgeting in the federal agencies is governed by Outcome-Based Budgeting (OBB) that was introduced back in 2013 (Asia-Pacific Community of Practice on Managing Development Results, 2011). The goal of OBB is to address weaknesses of the budgeting system through integration of planning, budgeting, implementation, monitoring and evaluation at various

level of organisations. However, to improve this practice, Informant 1 made his point by questioning the level of acceptance among public managers after six years of its implementation. To him, there is a considerable gap when public managers could not see the connection between strategic planning and budgeting processes. The inter-division silos where strategic planning is put under policy and research division and budgeting lie under management services division, is the significant factor that contributed to this gap.

Arguing the relationship between strategic planning and budgeting, Informant 1 expressed his views that the budget must follow strategy. He explained that strategy formulation needs to be concurrently discussed with budget planning to give better strategic choices. In this sense, strategy prioritisation plays a vital role in determining desired outcomes of the programs even within limited resources or budgets. He added that there is a conflict between budget spending and organisational structure of the agencies. This is due to current practices where budgets are given based on programs and activities and doesn't consider the function of each division under the organisational structure. Hence, in terms of the reporting system, there will be certain situations where programs and activities under specific division are funded by budget allocation under different division.

The fact that none of the agencies putting budgeting in their strategy formulation specifically during strategic plan development echoes the reality voiced out by Informant 1. Informant 2 suggested strategic positioning to be applied based on a situation where the budgeting element becomes vital to determine strategies and programs that benefit people and the country. Discussing the acceptance and readiness of public managers, Informant 3 argued that there is a massive misunderstanding among them where OBB itself brought the connotation of technical financing methodology, which is different with the spirit of OBB itself that focus on management. Therefore, top management of agencies tends to let their finance department deal with it, instead of discussing the budget during the strategy formulation process at a higher level. Thus, Informant 3 proposed to marry both strategic planning and OBB in one single document to avoid any conflict of irregularities. Informant 4 views the relationship between strategic planning and budgeting as "flexible, dynamics and subjective". He emphasises that both implementations of strategy and budget should not be tightened by a mandatory directive but be in a living document that can be adapted through environmental changes. In another view, informant 5 states there is a need for finance managers to sit together with other public managers during strategic management workshop of the organisation. This is important to give an insight and bigger picture about the budgeting process that involves strategy formulation, strategy implementation, assessing risk, monitoring performance, managing human resources and considering future scenarios and various alternative solutions.

Scenario Planning

Data from the document analysis exposed that only PSD and MOE took initiatives to consider scenario planning during strategy formulation. While PSD came out with a building scenario for the future of Malaysian public service in 2020 and beyond (MyForesight, 2015), MOE listed their future scenarios in the Malaysian Education Development Blueprint for school (2013 – 2025) and for higher education (2015 – 2025) (MOE, 2013, 2015). Understanding the importance of environmental analysis in strategy formulation, Informant 1 extended the idea of the need for scenario planning as a tool to develop strategies, as he argued:

“There is a need to do scenario planning for certain agencies to assist policy formulation, for example, in economics, trade and education. It is because it will take a long period to see the outcome of the plan. It takes some years. If you do trading, you really need to know what are the things to invest. So, scenario planning is critical for some selected government agencies.”

He expressed his concern that most public managers cannot differentiate scenario planning with environmental analysis. This will be a caused failure in building a scenario process where most of the current trends and issues are highlighted. To him, scenario planning is in ‘future tense’ where possibility, plausibility, probability and preferability is analysed to build the best-case and the worst-case scenarios. Arguing in the same context, he proposed the importance to determine a robust strategy – the strategy that is applicable in both scenarios – to be proposed during strategy formulation. However, Informant 2 warned that scenario planning is not necessarily applicable in all circumstances, especially when it comes to the budgeting process. This is due to environmental changes that will affect the organisation priorities. The frequency of changes in the budgeting process itself depends on the government agenda that currently faces the unprecedented and uncertain world challenges. Enunciated the same context, Informant 3 cautioned that the scenario building process must be balanced and measured situations within what the organisational can control and what they cannot.

Supporting the need for scenario planning in strategy formulation, Informant 4 proposed to use this tool during strategy thrust and program construction. To him, scenario planning’s methodologies are exhaustive and very deep in that sense it can assist the organisation in exploring any possible outcomes, either it could be positive or negative. Hence, the strategies will be more robust, vigorous and dynamic. While he supported this necessity, Informant 4 also gave his concern about agencies understanding and sufficient knowledge to practice it. It is because most agencies will do any management practices regulated by the government to avoid lower rankings in performance management mechanism such as star-rating system

(MAMPU, 2015) and chief auditor report (Siddiquee, 2012). Thus, the practice is done because of the regulation instead of the willingness of the agency to improve its management best practice. Hence, it is imperative to ensure the agencies must be consulted by the responsible agency first before the practice be implemented at all level of the government. Spoken in the technical aspect, Informant 5 voiced his point that scenario planning process requires a high rate level of precision in determining drivers for scenario building. Scenario driver is a crucial pre-requisite because any fault drivers will be led towards irrelevant scenarios.

Performance Measurement

As shown in Table 1, all agencies have set up their measurement of key performance indicators (KPI) – either output level or outcome level – as part of performance management practice in their organisation. The need for performance management instead of performance measurement has been discussed by previous scholars such as Poister (2010) who put the emphasis on outcome. Argued in a similar vein, Höglund, Holmgren Caicedo, Mårtensson, & Svärdsten (2018), explained that performance management should be more proactive in the strategic management process, meaning that it should be engaged with specific measures. Shaw (2016), examined that performance management is disconnected from other elements of management, which is budgeting. Before that, Okumus (2003) suggested for organisations to align their performance measures in four perspectives, namely financial, customer, internal business and learning and growth. Therefore, it is essential to invest in performance management systems to measure the link between financial inputs with organisational performance.

Informant 1 insisted that KPI can be used in all-tier of management; be it for the top leader, middle management or even junior manager. However, he emphasised the significance of the strategic plan in determining KPI for any programs and activities. It is vital for each agency to have a living strategic plan to ensure the established KPI will be measured correctly. Informant 2 created a real question when he stated that preferred KPI and goals of government agencies are always falsified by real practice report, for example, in the Chief Auditor Report. What is reported by the Chief Auditor is usually against the excellence of practice recognised by the rating system mechanism. In a different connotation, Informant 3 highlighted the changes from output-based KPI to outcome-based KPI in performance measurement. It is aligned with the spirit of OBB that stressed out the needs of each agency to focus on programs that can directly contribute to the national outcomes. He further enlightened that the budget endorsement and approval will only be given if each agency can justify their outcome-based KPI to MOF. Besides that, agencies also are required to present their trend analysis on budget allocations and expenditures. However, challenges in expediting this practice arose when the process of knowledge transfer among public

managers is stuck due to high rate of officer's transference. Therefore, the newly appointed managers need to re-start the process again. This situation has forced the government to enhance an effort to guide the agencies in building their own KPI.

Risk Assessment

No indication of the practice of risk assessment in strategy formulation among federal agencies is shown in strategic plan analysis. However, risk management practice in the public sector can be traced through the Prime Minister Order No. 1, the Year 2009 and the implementation of the Star Rating System by MAMPU. It is stated that risk management is one of the management practices which will be evaluated in the rating system. Therefore, as part of the requirement, agencies made an effort to prepare their risk analysis to fulfil this obligation. Risk analysis in strategy formulation has been discussed by a few scholars. Hussey (1998) specified sensitivity and risk analysis as an essential approach for the organisation to deal with uncertainty. In his business model components, he put to risk as an inherent part of the assessment of the strategy and decision-making process. Supporting this practice, Wiechmann (2007) proposed that a transparent analysis of empirical facts will reduce the risk of misconceiving reality in strategy formulation. Hewlett (2011), in another perspective, suggested the integration of strategic planning, capital budgeting and enterprise risk management as a model for an effective and efficient business portfolio.

Malaysian public sector is far away from this critical practice, according to Informant 4. This is due to Informant 3 reasoning as a lack of awareness on risk management and Informant 4 argument that lack of knowledge and skill among public managers. The feelings that everything is going to be okay, business as usual and only focus on preferable goals, instead of thinking on probable, possible and plausible futures are among the factors that makes the needs of this practice to be encouraged and integrated into the strategic management process. MAMPU, in this context, had come out with a risk management model back in 2012, according to Informant 4. The model outlines five elements in risk management model in the Malaysian public sector which are; determine the context, risk assessment, risk mitigation, monitoring and evaluation and communication and consultation (MAMPU, 2012). The risk assessment process will offer better insight into the decision-making process before strategies are agreed by stakeholders. The absence of the risk assessment element in the strategy formulation process will reduce the meticulousness of strategies, programs and activities that have been framed in the agency's strategic plan.



Conclusion

The practice of strategic management among federal agencies in Malaysia demands a new re-conceptualised model. Derived from RBV and Positioning theory, the practice of strategic management in the public sector cannot be demarcated by internal and external environmental factors of the organisation only, but exigent for other elements of management such as futures thinking, financial administrative and impact studies. Dominant factors such as capacity and capabilities of human capital, interactions among organisational system, performance management mechanism and the competency of an organisation to deal with any unexpected changes remains a significant challenge that must be encountered by the public sector. To address these issues, an integrated model of strategic management which contemplates scenario planning, budgeting, performance management and risk management is proposed for further study in ensuring the effectiveness and the efficiencies of public sector organisations. Strategic alignment from each vertical and horizontal axis between strategic planning and budgeting will close the gap in the implementation of strategic management and finance.



Abbreviation of The List of Ministries

Prime Minister Department

Public Service Department

Ministry of Finance

Malaysian Administrative Modernisation and Management Planning Unit

Economic Planning Unit (Ministry of Economic Affairs)

Implementation Coordination Unit

Ministry of Federal Territories

Ministry of Science, Technology and Innovation (Ministry of Energy, Science, Technology, Environment and Climate Change)

Ministry of Health

Ministry of Urban Wellbeing, Housing and Local Government (Ministry of Housing and Local Government)

Ministry of Defence

Ministry of International Trade and Industry

Ministry of Education

Ministry of Foreign Affairs

Ministry of Communication and Multimedia

Ministry of Natural Resources and Environment (Ministry of Water, Land and Natural Resources)

Ministry of Tourism, Arts and Culture

Ministry of Works

Ministry of Rural Development (Ministry of Rural and Regional Development)

Ministry of Primary Industry and Commodities (Ministry of Primary Industry)

Ministry of Agriculture and Agro-Based Industry

Ministry of Human Resources

Ministry of Transport

Ministry of Domestic Trade, Co-operatives and Consumerism (Ministry of Domestic Trade and Consumerism)

Ministry of Youth and Sports

Ministry of Women, Family and Community Development



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