

Change **Management**

Results-based Budgeting Implementation

State Financial Secretary's Office



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Introduction

Sarawak has embarked on the Public Financial Management Transformation Programme (PFM), which sets a new and high benchmark for financial management emphasizing on efficiency, accountability, and strategic alignment. PFM is fostering a transparent and result-oriented public financial ecosystem which would ultimately ensure efficient allocation of resources that contributes directly to the State's developmental milestones set under Post COVID-19 Development Strategy (PCDS) 2030 and beyond.

The adoption of Integrated Results-Based Management (IRBM), which links Development Planning, Results-Based Budgeting (RBB), Personnel Performance Management, Monitoring and Evaluation, Management Information and Decision Support System will allow the Government to channel resources effectively, ensuring each initiative contributes directly to the State's PCDS 2030 goals.

In its meeting on 29 April 2024, the *Majlis Mesyuarat Kerajaan Negeri* (MMKN) approved the implementation of RBB for the Sarawak Government and the adoption of the RBB Policy Circular (State Financial Secretary Circular No. 11/2024, dated 15 May 2024) by all State Ministries, Departments, Local Authorities, Statutory Bodies, and Government-Linked Companies.

In collaboration with the World Bank and the State Financial Secretary's Office (SFSO), the implementation of RBB marks a paradigm shift from traditional budgeting methods, emphasizing on measurable outcomes and impacts rather than mere inputs and outputs.

Introduction (cont'd)

Results-Based Budgeting (RBB) aims to:

- I. Provide a strategic mechanism to translate the State's policies as outlined in the PCDS 2030 and the Five-Year Malaysia Plan — into outcomes and results through the alignment and effective implementation of programs;
- II. Empower Controlling Officers with greater authority to manage their resources efficiently and effectively;
- III. Enhance accountability at all levels of program and activity implementation; and
- IV. Emphasize utilisation of funds that delivers value for money.

RBB will be implemented using a Whole-of-Government approach, and its success relies heavily on the leadership and strong commitment of all Central Agencies, Controlling Officers, Heads of Departments, and effective involvement at all levels of program and activity implementation.

1

Background

Background

The Sarawak Government is set to roll-out the implementation of Results-Based Budgeting in Budget Year 2026.

Change management involves guiding the transition of people, processes, and technology from the current state to a desired future state, ensuring the successful implementation of a project. Its goal is to minimize risks and setbacks while promoting stakeholder acceptance, support, and active participation throughout the transformation.

Impact of the Change

The project will bring about significant and wide-ranging changes as outlined below:

i. Changes in governance and organisational culture, e.g.:

- Shift in mindset and openness to change
- Reporting and accountability structure

ii. Operational Changes in Work Processes (including planning, budgeting, monitoring, evaluation and reporting):

- Preparation of the Inaugural Results Framework (IRF) - Ministry Strategic Performance Plan (MSPP) & Program Strategic Performance Plan (PSPP);
- Preparation of the Monitoring and Evaluation Framework (M&EF);
- Budget Review Process
- Policy Driven Budget Categorisation
 - On-going policies
 - New Policies
 - One-offs

iii. Technological and system changes, e.g.:

- Adoption and Implementation of Performance and Results Management Software Solution (PReMaS)
- Work processes surrounding current budgeting system (Program Performance Budgeting System) and transitioning into RBB
- Report generation and reporting structure

Background (cont'd)

The primary objective of this Change Management Strategy and Plan is to ensure that all State Government personnel impacted by the implementation of Results-Based Budgeting (RBB) clearly understand their responsibilities, understand the implications of the new outcome-based budgeting approach and are committed to its success, and also receive the necessary training to support a successful roll-out of RBB in 2026.

Key Objectives for Change Management:



Manage the involvement of users and key individual stakeholders to achieve overall commitment and buy-in towards the implementation of RBB within the State Government



Actively communicate through PFM Steering Committee (SC) and PFM Technical Committee (TC), Ministries, Departments and Agencies (MDAs) and State-Owned Enterprises (SOEs) comprising Statutory Bodies and Government-Linked Companies (GLCs) with regards to the RBB implementation via awareness sessions and communication mediums



Ensure the successful transition of users to the new work processes and roles

Several critical success factors need to be addressed to drive the delivery of the RBB Implementation Project and to ensure it has the highest chances of success.

Change Management Critical Success Factors



Leadership plays a critical role to set the tone and to “walk the talk” in terms of taking responsibility and being accountable for decisions made

- Visible leadership
- Engaging, listening and communicating
- Role-modelling the right behaviours



Continually engaging internal and external stakeholders and consistently communicating the concept, objectives and changes that will be required. This will be crucial to maintaining their support and ultimately achieving implementation success



Addressing and possibly improving work processes to achieve sustainable and effective change

2

**Change
Management
Scope**

Scope

This Change Management document concentrates on the human and organisational changes required for the implementation of Results-Based Budgeting (RBB). It will serve as a source of reference for guiding and managing change efforts related to RBB.

This document is structured into two main areas:

- i. Change Management Strategy
- ii. Change Management Plan

These components have been designed to complement each other, ensuring a cohesive and practical framework to support effective change management throughout this transformation. MDAs and SOEs will benefit from the standardized guidance provided, promoting a consistent understanding and implementation approach.

A change management structure with defined roles and responsibilities will assist in the dissemination of information and address issues identified. Overall, the management of this project will be coordinated by the Change Support Network within the State Government. SFSO will facilitate and require the MDAs and SOEs to identify, nominate, train and monitor appointment of RBB Champions, RBB Focal Persons cum Trainers, and Trainers. It is important for the MDAs and SOEs to identify the specific individuals involved to execute change management.

Scope (cont'd)

Challenges from RBB Implementation Project

Change management demands shifts across various areas - organisational culture, mindset, and, most importantly, a clear understanding of the implications of RBB.

Level of Involvement

- Full commitment from MDAs and SOEs is essential for the successful implementation of RBB

Complexity of Change

- RBB signifies a transformative change in the fundamental operations of Government budgeting and decision making.
- RBB is perceived as a more sophisticated and comprehensive budgeting framework.
- Understanding and application of RBB differs in depth and clarity across MDAs and SOEs.

Resistance to Change

- Skepticism towards how successful the implementation due to the relative short time frame for full implementation.
- Lack of understanding often results in resistance to change.
- Shift in focus for personnel due to new initiatives, processes and prioritisations.

Work Culture

- Fostering a mindset shift that emphasizes outcome-based decision making, centred on measurable and impactful outcomes rather than solely on inputs and outputs.

Capacity Building

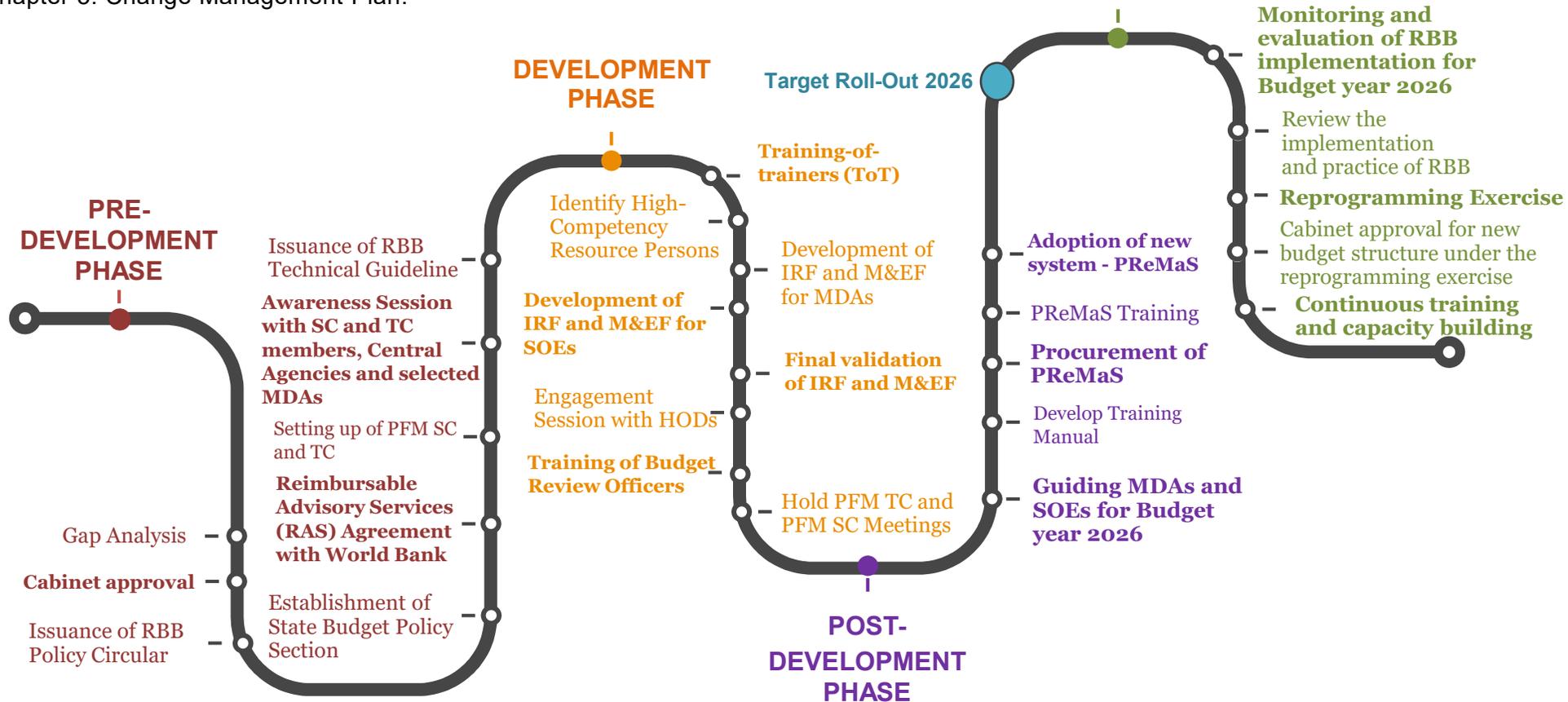
- Diverse range of expertise and education backgrounds among State Civil Service.
- Building workforce capacity through targeted upskilling is critical to meet the demands of evolving work processes, procedure and requirements.
- Capacity building efforts could be hindered by a limited pool of qualified personnel.

Scope (cont'd)

Change Management Activity Periods

This document outlines four distinct phases: (1) the Pre-Development Phase, (2) the Development Phase, (3) the Post-Development Phase, and (4) the Post Go-Live Phase. Most of the activities occur the highest intensity during the Development Phase. A detailed breakdown of change management activities for each phase will be provided in Chapter 5: Change Management Plan.

POST GO-LIVE PHASE

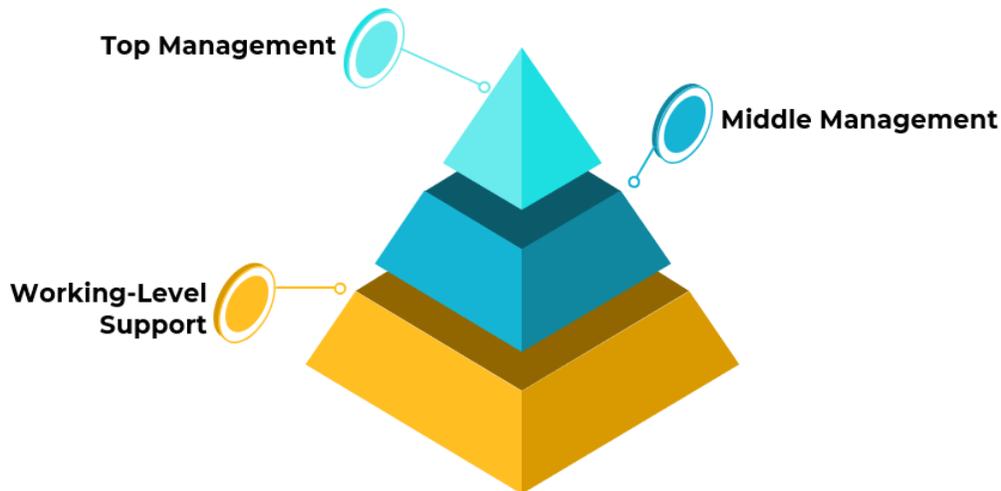


Scope (cont'd)

Change Management Stakeholders

Implementing changes requires coordinated efforts across all levels of management within the MDAs and SOEs. This will encompass 14 Ministries (including State Secretary's office and SFSO), 34 Departments, 26 Local Authorities, 31 Statutory Bodies, and 20 Government-Linked Companies, as well as the relevant officers identified across the State.

Understanding the stakeholders is essential in addressing the change involved. Stakeholder engagement and involvement will be adopted to three main segments:



The stakeholder management strategy will follow a top-down approach, beginning with engagement at the top management level and progressively extending to operational and working-level personnel. Clear and consistent communication with key stakeholders is essential to identify and address concerns early, ensuring continued support and resource availability throughout the project.

Who they are:

Top Management

- Those who are accountable and kept up-to-date on progress, often only on completion of tasks or deliverables, and with whom there is just one-way communication.
- Permanent Secretaries, Head of Departments, Head of Agencies, Head of Statutory Bodies and Head of GLCs

Middle Management

- Accountable for the correct and thorough completion of the deliverables or tasks.
- Influential - facilitates change with regards of sharing information, excitement and identify potential issues and challenges at Working Level Support.
- Professional and Management Group / Program Owners

Working Level Support

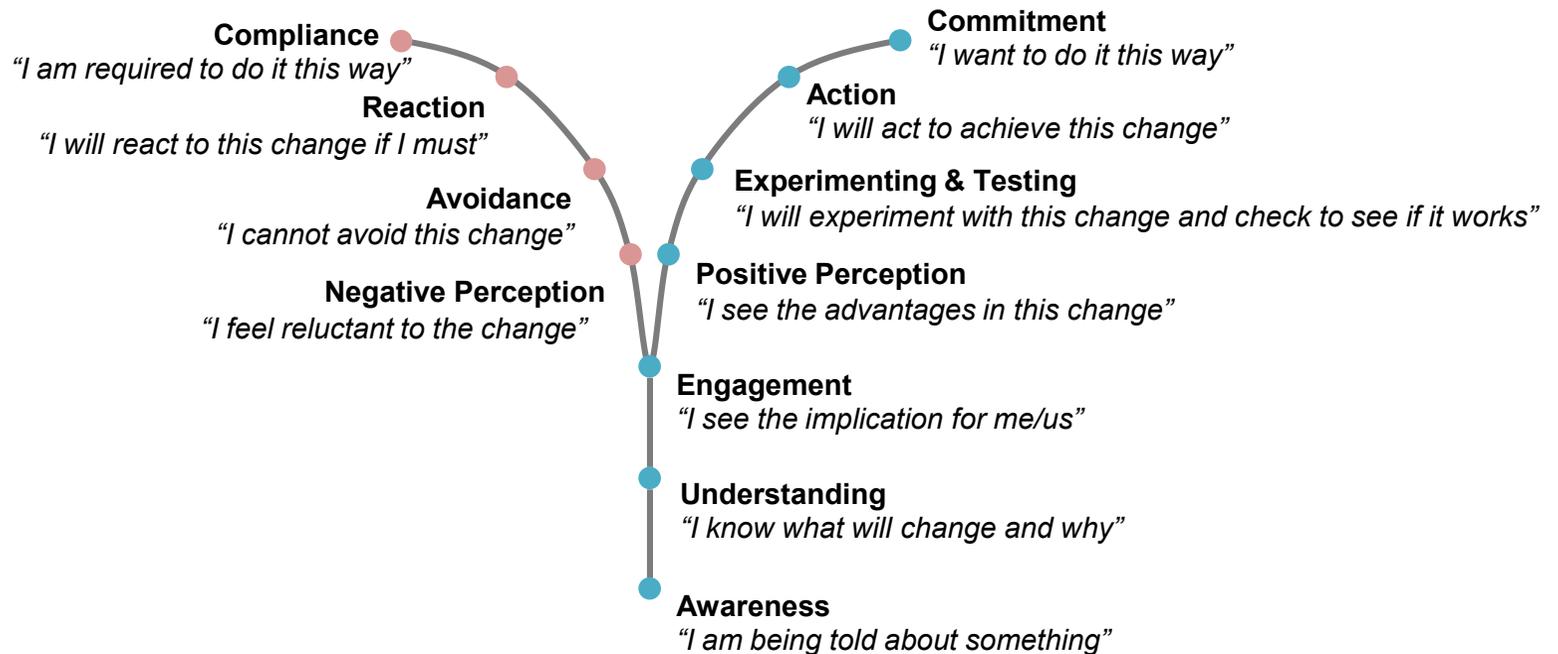
- Population of working administrative and supporting personnel of MDAs and SOEs

Scope (cont'd)

Compliance vs. Commitment

Throughout the implementation program, change management plays a critical role in gaining the support and commitment of all affected stakeholders within the organisation. The Change Management Methodology, outlined in Chapter 3: Change Management Methodology, is designed to ensure effective stakeholder engagement and sustained commitment.

Changes can be made either through compliance and/or commitment. The characteristics between the two approaches are differentiated through the diagram presented below:



Scope (cont'd)

Compliance & Commitment in Change Management Processes

Parties involved in the change process have the option to either comply with the changes or actively demonstrate commitment to them. While the ultimate goal of the change management process is to foster full commitment from all stakeholders, it is acknowledged that, due to time constraints in the implementation process, not all parties may reach this level. Therefore, for those unable to fully commit, compliance with the changes remains essential.

	COMPLIANCE	COMMITMENT
Top Management High level of compliance and commitment is needed from Top Management because they are the crucial leaders who will lead the change management in their respective MDAs and SOEs to ensure the success of the RBB implementation.	High	High
Middle Management Similar level of compliance and commitment is also required from the Middle Management because they will be the party communicating with the Top Management and working level supporting groups to facilitate information between the two parties. This group also acts to demonstrate how this implementation should be carried out.	High	High
Working Level Support Group Although medium level of commitment is expected from the working level support groups, challenges is to be expected due to the short implementation timeframe starting in 2024 and roll-out in 2026. Thus, it is more important that the working level supporting groups are aware of the change.	Low	Medium

Scope (cont'd)

SFSO is responsible for managing change management trainings and briefings for the identified RBB Champions, RBB Focal Persons cum Trainers, and RBB Trainers, as well as providing technical training to relevant personnel. Additionally, SFSO will oversee 'face-to-face' activities, printed materials, multimedia contents, and any other communications distributed through the State Government's available platforms. SFSO will also collaborate closely with World Bank Team (WBT) to ensure the success of this project.

Change Management Initiatives	Top Management	Middle Management	Working Level Support Group
Stakeholder Engagement, RAS Exchange Ceremony, Seminars and Awareness Programs	✓	✓	
Online updates through Knowledge Hub and Community of Practice	✓	✓	✓
Printed Materials (Newsletters and UKAS Bulletin)	✓	✓	✓
Promotional / Educational videos	✓	✓	✓

Technical Related Initiatives	Top Management	Middle Management	Working Level Support Group
RBB Policy Circular & Technical Guideline	✓	✓	✓
RBB Training Manual	✓	✓	✓
Budget Review Manual	✓	✓	
Training-of-Trainers (ToT)		✓	
Guiding of MDAs and SOEs on Preparation of Strategic Performance Plan	✓	✓	✓
Capacitation Training for Budget Committee Members and Budget Review Officers	✓	✓	
Capacitation Training for Ministry Strategic Performance Committee (MSPC) and Program Task Force (PTF)	✓	✓	
Continuous Capacity Building	✓	✓	✓

3

**Change
Management
Methodology**

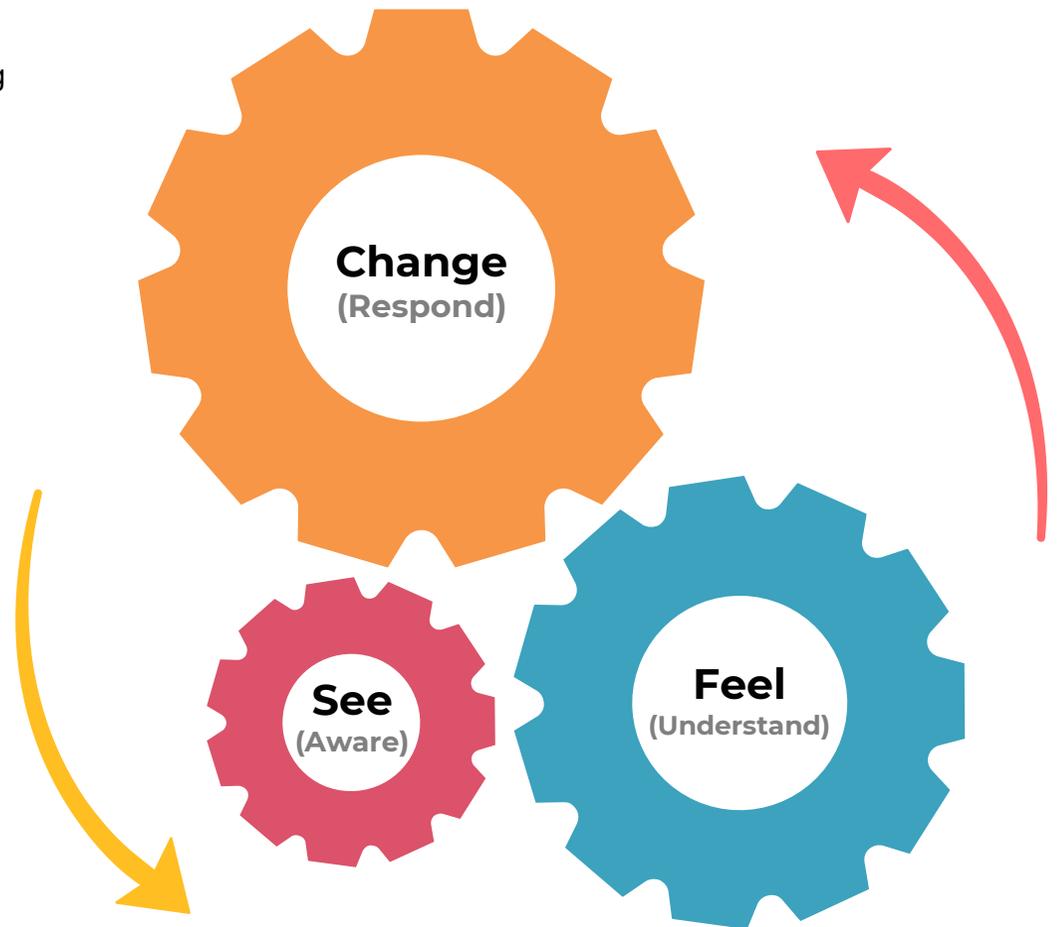
Change Management Methodology

A proactive and structured approach is essential to address the people and organisational risks inherent in any change initiative, particularly in support of the RBB Implementation Project. The SEE-FEEL-CHANGE framework will serve as the guiding change management approach across all three organisational levels—Top Management, Middle Management, and Working Level Support Group. This approach aims to ensure a smooth and structured transition from the current Program Performance Budgeting System (PPBS) to RBB by 2026, while also supporting the sustainability of the change achieved.

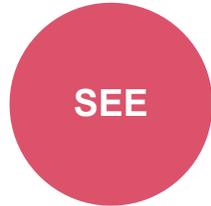
SEE-FEEL-CHANGE

The change management will be addressed through the following phases:

- S** **Communicating the change** early and openly is essential to enable people to **SEE** the need for the transition to RBB. This approach helps manage and minimize doubts while highlighting the benefits of the change through practical examples that demonstrate improved effectiveness, clear visualisation, and success stories
- F** **Examine, explore, and experience the changes firsthand**, allowing individuals to truly **FEEL** the impact and urgency of the transformation. This emotional connection fosters a genuine sense of ownership and motivation to act. Through direct exposure during the roll-out of RBB implementation, deeper understanding and engagement will be achieved.
- C** **Translating their understanding and insights into actions** enables individuals to embrace **CHANGE** by adapting and improving the way they work in alignment with the RBB concept.



Change Management Methodology (cont'd)



SEE Phase

The first phase of the Change Management Methodology focuses on creating awareness of the change agenda. This will include the following:

- Defining the purpose for change
- Communicating the change objectives
- Stimulating curiosity and enthusiasm (where appropriate)
- Starting to generate momentum

FEEL Phase

The next phase involves developing a clear understanding of why the changes are necessary, what the changes entail, and how individuals will need to adapt. This phase includes the following:

- Articulate the rationale for change by creating a strong and justified case for action
- Clearly define knowledge, skills and behaviors needed to succeed and enable personnel through capacity building
- Describe the changes, who they will impact, and the timeline
- Give people a reason to change and reinforce the right skills and behaviours

CHANGE Phase

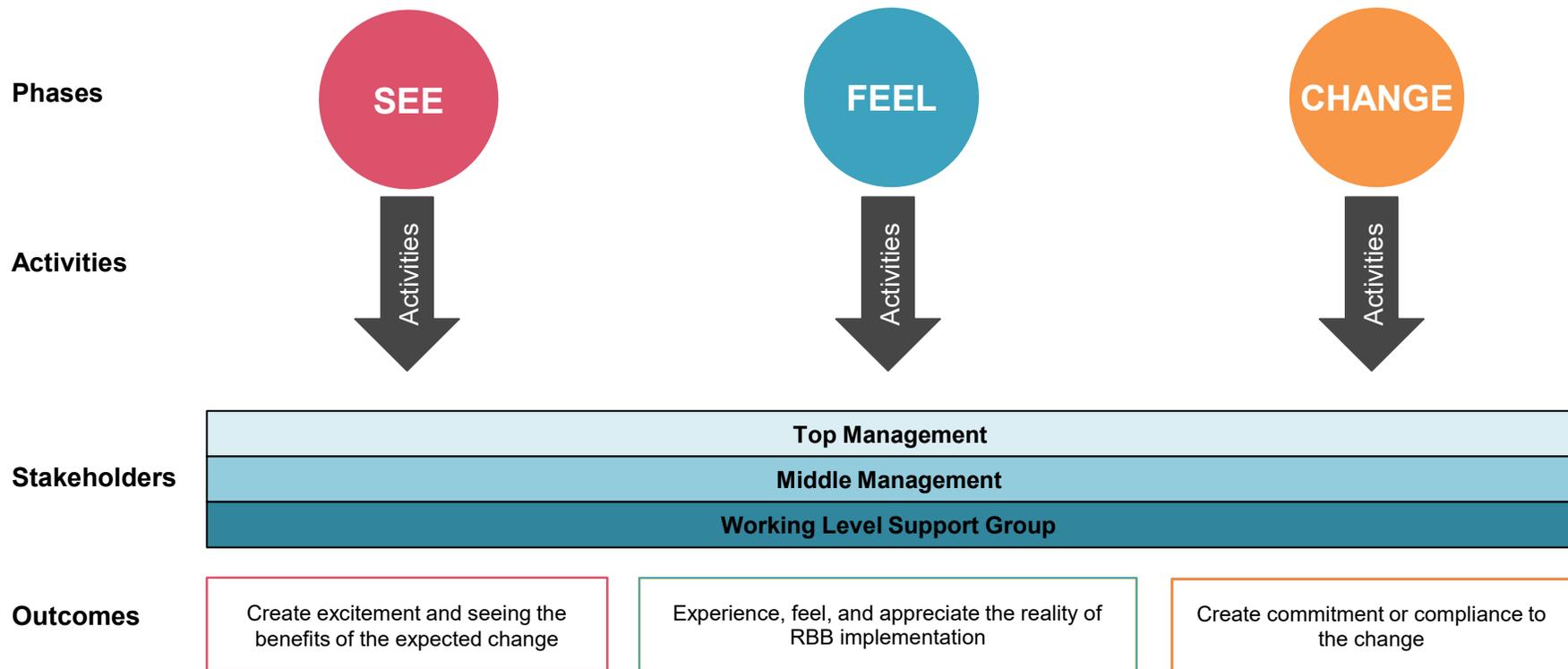
Once understanding has been achieved, the final phase of the methodology centers on people adapting to the necessary changes through either commitment or compliance. This phase includes the following:

- Providing further clarification on the changes taking place
- Continuous learning and capability building
- Adaptation to the upcoming changes for RBB implementation
- Post-implementation evaluation by the Consultants to determine how effectively the implementation was executed as intended

Change Management Methodology (cont'd)

The diagram below illustrates the relationship between phases, activities, and involvement stages throughout the entire project implementation. For successful change management, it is essential to apply the SEE-FEEL-CHANGE methodology through targeted and effective activities. This approach ensures that change management messages are clearly communicated to all relevant parties. The activities focus on three key objectives: (1) raising stakeholder awareness, (2) enhancing stakeholder skills through training, and (3) continuously gathering feedback on the progress of the change.

Relationship between change management approach, activities and stakeholders



Change Management Methodology (cont'd)

Change Management Responsibilities

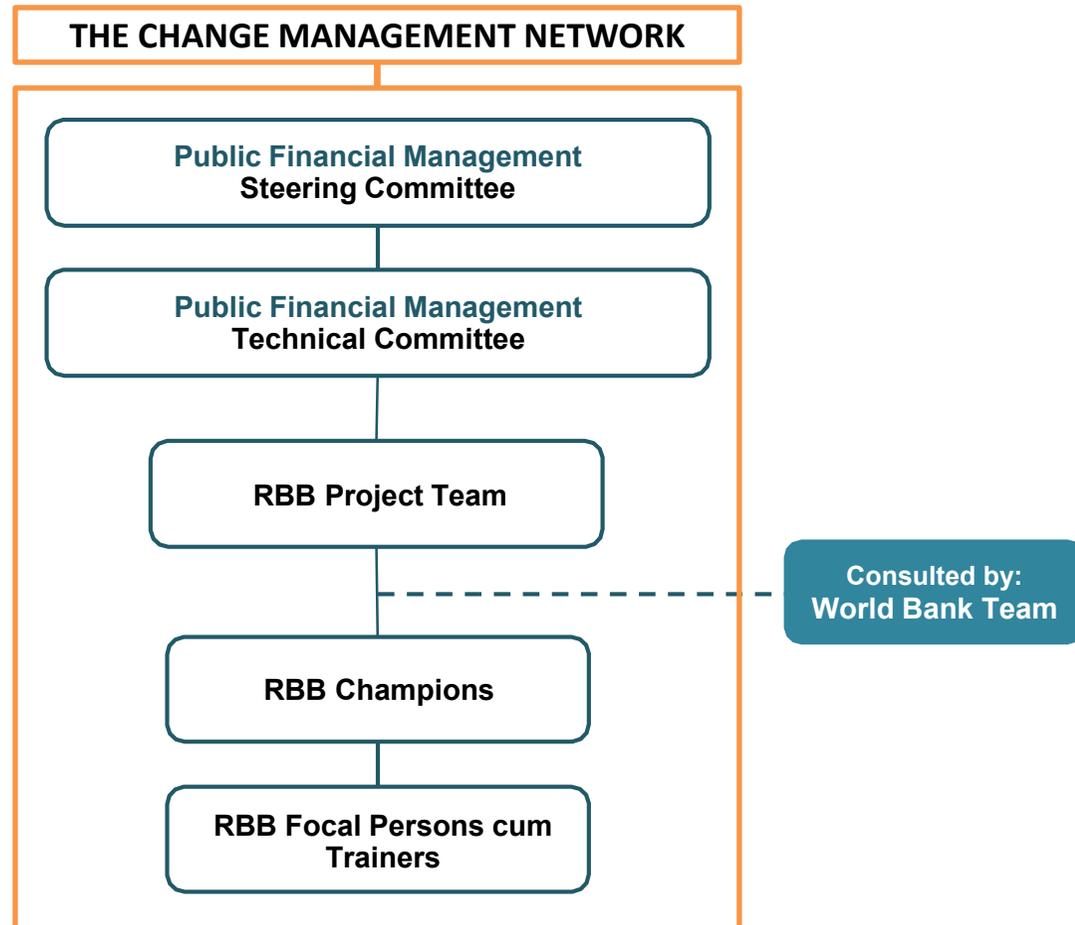
Change Support Network

It is important to define the roles & responsibilities, as having dedicated resources for change management in driving the communication initiatives. Therefore, it is recommended that the State Government establish a **Change Support Network** to facilitate smooth communication and coordination between MDAs and SOEs. This change network will consist of selected personnel within each MDA and SOE who actively promote and implement changes, while raising awareness based on a clear understanding of the RBB and its impact on resource allocation.

The success of a change initiative largely hinges on the strength of the Change Support Network and the commitment demonstrated by RBB Champions and RBB Focal Persons cum Trainers within the MDAs and SOEs.

Members of the Change Support Network must:

- have prior exposure and training on the RBB Concept;
- be credible to others; and
- be able to influence others to accept change.



Change Management Methodology (cont'd)

Change Management Roles & Responsibilities

Change Management Roles and Responsibilities of RBB Champions

The RBB Champions are the leaders who are vital for success of the change management, and believe that the change will be beneficial to the State Government. RBB Champions who are nominated by the respective HODs will help drive change by encouraging their peers to accept the change process and encourage commitment in taking relevant action. RBB Champions should create a sense of urgency and importance within the particular MDAs and SOEs to gain the cooperation of all personnel from middle management to working level support group.

Responsibilities of RBB Champions:

- Speak positively and motivate personnel about the change.
- Gaining commitment for the changes.
- Facilitating evaluation of activities.
- Monitoring progress of change.
- Identifying and resolving bottlenecks or sources of resistance to change.

Continuous participation of RBB Champions within the Change Support Network is vital to the success of the change effort. Their active involvement helps address and overcome any resistance from stakeholders, ensuring the change progresses smoothly and effectively.

Change Management Methodology (cont'd)

Change Management Roles & Responsibilities

Change Management Roles and Responsibilities of RBB Focal Persons cum Trainers

Once the RBB Champions have established a sense of urgency, a Change Support Network within their respective MDAs should be formed, led by the RBB Focal Persons cum Trainers. These Focal Persons cum Trainers are designated to promptly facilitate the change initiative and serve as key drivers and catalysts for transformation within the MDAs and SOEs.

Responsibilities for RBB Focal Persons cum Trainers:

- Act as a channel for executing change-related activities within their respective MDAs or SOEs.
- Provide insights on specific needs for their respective MDAs and SOEs.
- Assist to monitor the progress and effectiveness of the change process in their respective MDA and SOE.
- Liaise with the RBB Champion in their respective MDAs and SOEs to discuss potential adjustments or provide additional details for modifying the change plan as needed for the MDAs or SOEs.

RBB Focal Persons cum Trainers in their respective MDAs and SOEs should ensure that they are well versed in what the project encompasses. They should also be equipped to answer any question from the Middle Management group and Working Level Support group or anyone who would be directly or indirectly affected by the changes.

Change Management Methodology (cont'd)

Change Management Responsibilities

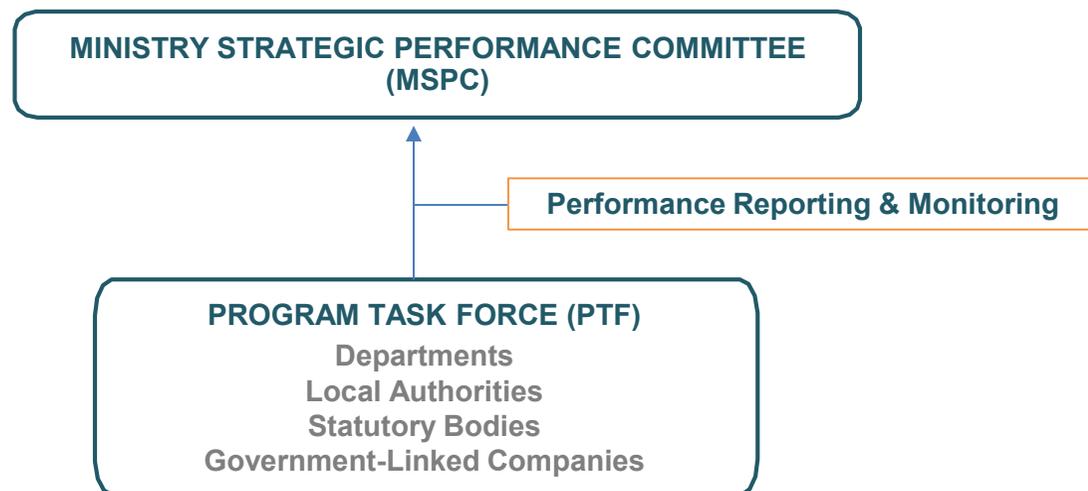
Committees as the Driver for Continuous Change

It is essential that dedicated committees be established to lead, deliberate, and continuously improve on the use of RBB after its roll-out. These committees will be responsible for reporting, monitoring and evaluating performance within this new performance-based environment.

Without a driving body, there will be lack of leadership, direction, and motivation to achieve the desired outcomes. The absence of structured oversight would likely result in fragmentation, inconsistent implementation, and diminished accountability.

In such a scenario, those involved may struggle to navigate the RBB framework, and the overall progress of implementation could stagnate, severely undermining the initiative's effectiveness.

The success of any change initiative - particularly one as transformative as RBB - relies heavily on the continuity, quality, and timeliness of performance reporting and monitoring. Permanent Secretaries, as Ministry leaders, play a pivotal role in setting the tone for performance-based management. Their leadership must be cascaded down to their respective Departments, Local Authorities, State Statutory Bodies, and Government-Linked Companies (GLCs), ensuring alignment and shared accountability across all levels.



To support this transition, SFSO will provide an initial guideline for the establishment and operation of both the Ministry Strategic Performance Committee (MSPC) and the Program Task Force (PTF). It will subsequently be the responsibility of the Permanent Secretaries, as well as Heads of Departments, Heads of Agencies, Heads of Statutory Bodies and Heads of GLCs, to ensure that the committees relevant to them are operationalized effectively and that their mandates are carried out with consistency.

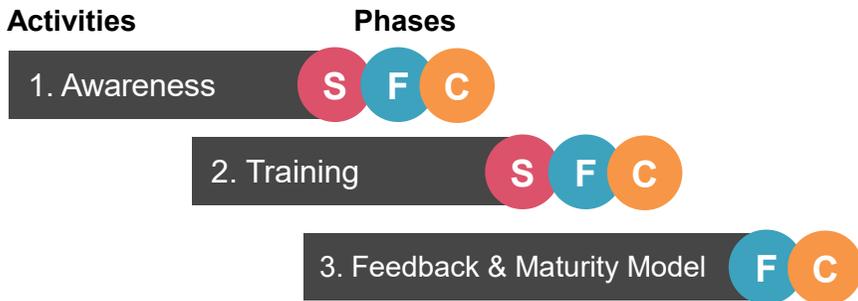
4

**Change
Management
Strategy**

Change Management Strategy

Change Management Activities

To ensure the change management is successful, it is crucial to manage the SEE-FEEL-CHANGE methodology through targeted and meaningful activities. The change management approach will be executed through three main activities below:



Each activity will help facilitate the transition into RBB for the identified stakeholders. SFSO and WBT will implement various activities outlined in the Change Management Strategy and Change Management Plan.

Effectiveness of these activities is closely related with the stakeholders that are involved. Different stakeholders need different depths of information and modes of communication.

The level of intensity, illustrated in the diagram below, depends on the type of communication medium used to deliver the intended message, as well as the accuracy of the information to each stakeholder group.

		Top Management	Middle Management	Working Level Support Group
S	Understanding Needs and Benefits	High Intensity	High Intensity	Low Intensity
F	Knowledge Delivery	Medium Intensity	High Intensity	Low Intensity
C	Appreciation and Recognition	Medium Intensity	High Intensity	Low Intensity

Change Management Strategy

Intensity of Activities According to Change Management Methodology

		Top Management	Middle Management	Working Level Support Group
SEE	Understanding Needs and Benefits	High Intensity	High Intensity	Low Intensity
FEEL	Knowledge Delivery	Medium Intensity	High Intensity	Low Intensity
CHANGE	Appreciation and Recognition	Medium Intensity	High Intensity	Low Intensity

During the **SEE** phase, **Top Management** is prioritized with the most intensive communication efforts. As leaders within their respective MDAs and SOEs, they play a vital role in championing the change. Gaining an early and clear understanding of the transformation allows them to align their leadership strategies accordingly and provide effective direction and support to other stakeholders throughout the transition.

Middle management will experience greater concentration of activities across the **SEE**, **FEEL** and **CHANGE** phases, as budgeting, monitoring and evaluation responsibilities currently fall under the Professional and Management (P&P) group, who serve as program owners. This group will require access to comprehensive information to perform their roles in alignment with RBB requirements.

Change Management Strategy (cont'd)

1. Awareness

The first step in the Change Management Strategy is to create awareness about the change agenda. A significant shift is required in the mindset of management, staff and other stakeholders. Effective change management is indispensable to achieve this shift and ensure a successful transition overall. Thus, stakeholder engagement and involvement will apply to all three stakeholder levels from top-down, starting with the Ministers, Permanent Secretaries, Head of Departments, Head of Agencies, Head of SOEs. Awareness activities will be conducted through appropriate communication mediums depending on the stakeholders and the level of intensity of the message to be conveyed.

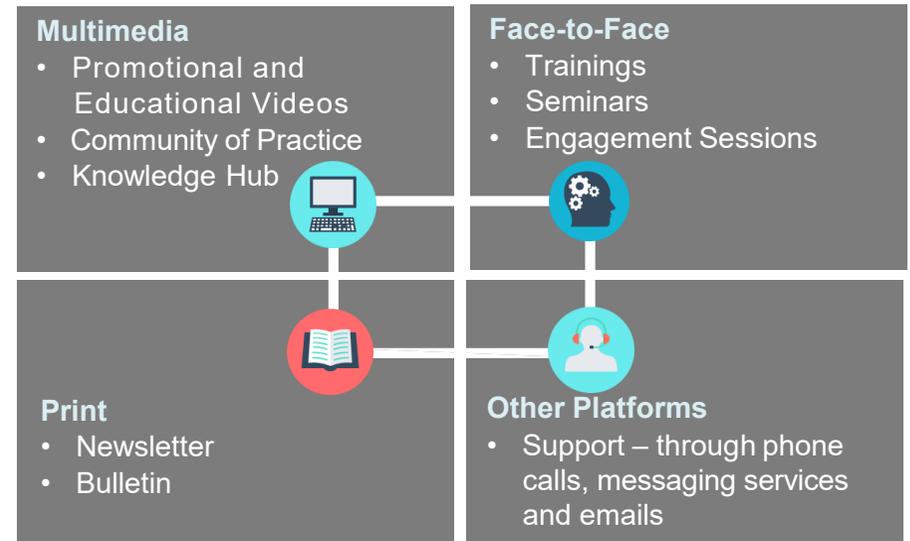
Top Management Buy-In

Strong commitment from Top Management is essential in order to secure the necessary resources, promote buy-in and promote the benefits of RBB throughout the organisation. Thus, it is crucial that change management activities should first and foremost start with gaining the support and buy-in from the Top Management officials.

Communication Mediums

Communication is a critical factor for the successful implementation of RBB. Different communication mediums will be used to execute the awareness activities. The Change Management will further detail the specific activities to ensure that all information on the implementation of the project as well as the issues are disseminated from time to time through an effective medium to stakeholder involved. Communication mediums used for the awareness activities can be divided into four main segments and should fulfil intensity requirements for different communication activities.

Communication Mediums



Change Management Strategy (cont'd)

1. Awareness

Communication Mediums (cont'd)

Multimedia

The usage of multimedia as an effective medium can ensure that the dissemination of diverse information is effective throughout all important parties. The activities carried out by multimedia consists of all the three phases, SEE-FEEL-CHANGE. It is evident that multimedia is a 'multi-purpose' platform with different applications adhering to the suitability of different stakeholders. For example:

Knowledge Hub

A dedicated Knowledge Hub will be established on the SFSO's website to provide stakeholders with easy access to resources, tools, and guidance.

Community of Practice

A Community of Practice will be formed to foster collaboration, knowledge sharing, and peer support among personnel involved in the implementation of RBB.

Face-to-face

For 'Face to Face', there are several activities, which are customized for specific stakeholders. This is because higher effectiveness is expected to be obtained through this communication method. For example:

Engagement Session

Targeted engagement sessions will be conducted with Members of the State Legislative Assembly (ADUNs), Permanent Secretaries and Heads of Departments (HODs) to build understanding, secure buy-in, and align leadership on the goals and implementation of RBB.

Print

Printed materials is a medium that needs to be maintained throughout the whole process, as it is highly effective. This medium is also easy to implement and benefits all stakeholders involved. It can also be used throughout the whole SEE-FEEL-CHANGE phase. For example:

Newsletters and Bulletin

Regular newsletters and bulletins will be developed in collaboration with WBT and *Unit Komunikasi Awam* Sarawak to keep stakeholders informed on the progress, insights, and best practices related to the implementation of RBB.

Change Management Strategy (cont'd)

2. Training Programs

The next key activity from the change management methodology ensures that all the users affected have the skills and knowledge required to carry out the new work processes for RBB. Having appropriately trained users is key for a successful transition towards the implementation of RBB. To ensure that trainings are executed effectively within the short timeline, it is important to take into account the development of the training strategy and the training delivery to be in accordance with the change management methodology.



Training focuses on the **FEEL** phase of the change management framework by ensuring stakeholders know and understand why change is required, understand how and what needs to be changed. The trainings will articulate what will be different, and why they have been invited to the training sessions. This will then be followed by the rationale for change by creating a strong and united case for action – the case for change. They will also clearly define the knowledge, skills and behaviours needed to be successful and enable users through capacity building.



These training programs aim to also highlight the **CHANGE** phase of the change management framework, whereby once the stakeholders have built the understanding highlighted in the FEEL phase, it will provide them a clear rationale for change and reinforce the necessary skills and behaviors to support the transition.

The training programs are generally required to be an ongoing activity until the roll-out date and post implementation, which will include training-of-trainers programs for selected RBB Champions, Focal Persons cum Trainers and Trainers, development of the Strategic Performance Plan workshops for MDAs and identified SOEs, and targeted training for MSPC and PTF members. Policy circular and technical guidelines have been developed to assist the personnel in carrying out their responsibilities with regards to RBB.

A structured training and certification program will also be introduced in collaboration with a service provider, which is to be determined. This program aims to develop a pool of High Competency Resource Persons who can effectively support the roll-out and continuous capacity-building efforts across MDAs and SOEs. As for all other State Civil Service officers, general training will be incorporated into the Financial Management (Budget Management) module.

Change Management Strategy (cont'd)

2. Training Programs

Identification of Target Audience

Identifying the target audience groups against the specific training programs allows trainings to be more customized towards the needs of the specific groups. The objective of each training will depend on target audience attending the training. The number of individuals selected depends on the size of the intended audience for effective delivery of training and the resources available.

Example of Target Audience Groups:

- Head of MDAs and SOEs
- Middle Management
- Program Owners
- Finance Officers
- Budget Officers
- MSPC Members
- PTF Members

Delivery of Training

The Change Support Network will need to determine the delivery of the training as listed below. The decision-making will have to consider the cost, time constraints and work constraints.

- Training topic and content
- Timing and duration of training
- Delivery methods, for example:
 - i. Facilitator / Trainer-led classroom training;
 - ii. Online training;
 - iii. Workshops; and
 - iv. On the job training

Change Management Strategy (cont'd)

2. Training Programs

Change Management Trainings

It is important that both the technical and cultural aspects of change are addressed during the training programs. To ensure the capabilities of the RBB Champions and RBB Focal Persons cum Trainers to carry out the necessary change management tasks, there will be workshops conducted to educate their roles and responsibilities to equip them with sufficient change management skills. Communication updates should be conducted frequently and consistently to ensure all RBB Focal Persons cum Trainers are equipped with the latest knowledge on project achievement, successes and challenges. Such communication packs can be disseminated through newsletters and bulletins.

The Training Sessions and Workshops will ensure they are able to:

- Build awareness and develop key competencies
- Proactively anticipate, recognize, and respond to policy-related challenges
- Understand and contextualize the need for change
- Offer clear direction and support to others
- Coordinate and align RBB implementation efforts to ensure consistent messaging and cohesive actions
- Encourage open dialogue and active engagement among stakeholders

Change Management Strategy (cont'd)

2. Training Programs

Technical Trainings

RBB requires top-down planning, expertise, increased professional judgment, and greater involvement of top management and all program owners in the decision-making process. Lack of trained staff is a principal challenge when implementing RBB.

The expertise required is not limited to understanding basic RBB concepts; technical knowledge to aid in decision-making process is required for areas such as program monitoring, evaluation and interventions.

Competencies and Capabilities Assessment

From the operational and technical changes identified from this project, there may be a major impact on the competencies now required to implement RBB. In order to identify training needs necessary for separate target groups, it would be necessary to identify the impact on the skills and knowledge (competencies) required at the various levels of positions and functions. Once the skills have been identified, these competency requirements can be compared to the relevant target groups and thus, create a generic competency framework to assist in the execution of the training programs.

Possible training topics may include; but not limited to:

- General Principles for Integrated Results-Based Management
- General Principles of RBB
- Program Logic & Linkages (PRoLL)
- PReMaS System Training
- Strategic Planning
- Program Management - Performance Monitoring, Evaluation and Reporting
- Results-Based Budgeting
 - Preparation of Ministry Strategic Performance Plan (MSPP) and Program Strategic Performance Plan (PSPP)
 - Developing Monitoring and Evaluation Framework
 - Validation of MSPP and PSPP documentation
 - Guiding MDAs and SOEs on Budget Year 2026 Results Framework

Change Management Strategy (cont'd)

3. Feedback and Remediation

Change Readiness Assessments

These assessments will be conducted across the MDAs and SOEs during the project to ascertain the level of awareness and readiness towards the change. Not conducting a change readiness assessment increases the risk of change not being achieved, benefits not being realised, and the RBB project may not utilise resources and time effectively. Issues highlighted is categorised into Process, People, Organisation and Technology.

Example of potential issues:

Process

- Do I really understand RBB?
- What is the duration of the transition period from existing to new process?
- What are the processes that will take place?
- What new processes will be introduced especially the key ones?
- Are the current processes that I am involved in be the first to change?
- Where or who do I refer to for information on new processes?
- Can I provide feedback as a user? How do I do this?

People

- Will there be a change of related roles & responsibilities?
- Will I need extra workforce or there will be a reduction of workforce?
- Will I be transferred?
- When will I be informed on how I am to be involved?
- How do I know what the plan is so I can be ready?
- What are the skills needed and how far is the gap?
- Whom will I go to with any concern I might have?

Assessing Change Readiness

Organisation

- How critical is this change to my MDA or SOE?
- What is the current timeframe for the changes to take effect?
- What should be reported and what should not be reported?
- Will the reports produced through RBB jeopardize my organisation?
- What if it is impossible to get an accurate indicator with the limited data available?
- What if gerrymandering of indicators occur?
- Who will validate the indicators?

Technology

- Complexity of new system (to unlearn & learn) - how long will the learning duration be?
- The workability of system (will it be another troublesome/slow system?)
- Will the new system meet the customisation of functions at the MDAs and SOEs level?
- How much knowledge on RBB must the person have to operate the system?

Change Management Strategy (cont'd)

4. Developing a Post-Implementation Maturity Model

The Post-Implementation Maturity Model, developed by WBT, will be used during the **CHANGE** phase of the Change Management methodology to assess both the level of stakeholder acceptance and the effectiveness of the RBB Implementation. This ensures that the transition is being embraced and integrated accordingly across the organisation.

This post-implementation RBB maturity model is used as an assessment and improvement tool. Its purpose is not just to measure whether RBB processes are in place, but how effectively they are delivering results, guiding corrective actions where needed. The following are the objectives of the model:

- ❑ **Assess RBB effectiveness across MDAs and SOEs**
 - Are outcomes being achieved as intended?
 - Is budget data meaningfully used in decision-making?
- ❑ **Identify weaknesses or inconsistencies**
 - Are certain MDAs or SOEs struggling more than others?
 - Are performance indicators poorly defined or unused?
- ❑ **Recommend remedial actions**
 - What can be done to fix misalignments?
 - Where is capacity-building or re-training needed?
- ❑ **Promote continuous improvement**
 - Encourage learning from success and failure.
 - Update systems, tools, and policies based on maturity gaps.

Benefits of The Maturity Model

- ✓ **Early Detection of Failures:** Catch weaknesses before they become systemic.
- ✓ **Accountability:** Make sure departments don't just "tick the box" but deliver results.
- ✓ **Targeted Remedial Action:** Avoid generic training or reform—focus efforts where needed.

5

**Change
Management
Plan**

Change Management Plan

The Change Management Plan details a high-level implementation timeline spanning three (3) years. Key considerations include:

- ❑ Early-stage change management efforts led by SFSSO in collaboration with WBT have been conducted, primarily focusing on raising awareness on RBB Concept.
- ❑ Ongoing change management initiatives aimed at developing the skills and capabilities of the involved personnel.

Change management requires the involvement of all organisational levels, from top management to working level support group. In practice, the success or failure of most change initiatives is heavily influenced by the people responsible for executing them. As such, effective people management is crucial to achieving successful outcomes. It relies on securing individual commitment and a willingness to embrace change. While technical challenges may emerge during the process, many of these can be addressed through strong and well-executed change management practices.

Change Management Activities

1. Awareness Activities

Medium	Activity	Target Audience	Objective	Expected Results	Conducted By	Frequency
Face-to-face 	Engagement Session	Members of Administration and HODs	To explain the entire project and change management that will bring direct beneficial impact to the State Government. To indicate how important are their commitment, influence and leadership to the success of RBB implementation.	Those involved would be able to carry out their responsibilities especially in information dissemination to support the change activities. Commitment, support, feedback and inputs are obtained.	SFSO	As and when required
Face-to-face 	Coordination Meetings	EPU, SIMU, STIU, HRDMU, SCSDU and SFSO	To present RBB implementation to the relevant Central Agencies and carry out alignment to their respective roles and policies based on the IRBM concept.	Relevant Central Agencies will have awareness and readiness for full implementation of RBB upon roll-out.	SFSO	Once
Face-to-face 	Change Management Update Meetings	Steering Committee (SC) and Technical Committee (TC) Members	To ensure SC and TC members are equipped with the latest updates on the project achievements, challenges.	Address the issues raised and obtain the necessary approvals to resolve them throughout the development and post implementation phase.	SFSO	As and when required

Change Management Activities

1. Awareness Activities

Medium	Activity	Target Audience	Objective	Expected Results	Conducted By	Frequency
Face-to-Face 	Overseas Exposure	Members of Administration, HODS, SFSO Officers & Central Agencies Officers	To gain insights and best practices from countries with successful Outcome-Based Budgeting implementation.	To be able to apply relevant RBB frameworks, tools, and performance evaluation methods learned during the trip to improve the planning, execution, and monitoring of the State's performance and result framework.	SFSO	As and when required
Multimedia 	Promotional and Educational Videos	All Stakeholders	To disseminate information on project targets / updates / RBB knowledge / change motivation to specific users.	To initiate conversations and dialogues on the project and indirectly promote the awareness on the project.	SFSO	Throughout the project
Print 	Newsletters and Bulletins	All Stakeholders	Provide progress updates on the project together with explanation on the project targets.	Ensure awareness and excitement towards the project	SFSO Distributed to MDAs and SOEs	Throughout the project

Change Management Activities

2. Training Program

Medium	Activity	Target Audience	Objective	Expected Results	Conducted By	Frequency
Face-to-face 	Change Management Skill Building Workshops & Technical Trainings	PS, HODs, Nominated RBB Champions, Focal Person cum Trainers, Trainers, Program Owners	To develop change management skills related to migration needs towards RBB and to ensure the Change Support Network understand their roles and responsibilities and contribution to the RBB Implementation.	Enhanced technical knowledge and guided roles and responsibilities will enable them to have ownership in executing their tasks, which in turn successfully integrate and effectively lead the change for RBB.	SFSO MDAs SOEs (Internal)	As and when required
Face-to-face 	RBB Concept Training	Middle Management group and Working Level Support Group (only the affected users)	Train affected stakeholders based on the Training Manual as well as concepts and principles of IRBM and RBB. Train and certify High Competency Trainers to support capacity-building efforts.	Increase competency of staff to complete new tasks for RBB.	SFSO	As and when required
Face-to-face 	System and Operational Work Processes and Standard Operating Procedure (SOP) Training	PS, HODs, RBB Champion, Focal Person cum Trainer, Trainers, Program Owners, Finance/Budget Officers	Train affected stakeholders on the changes to the system and operational work processes	Increase competency of staff to complete new tasks for RBB.	SFSO	As and when required

Change Management Activities

2. Training Program

Medium	Activity	Target Audience	Objective	Expected Results	Conducted By	Frequency
Face-to-face 	Strategic Planning, Performance Monitoring and Performance Reporting Training	Central Agencies, Heads of MDAs, Heads of SOEs, MSPC and PTF Members, Division and District Management Group, Members of Administration and ADUNS	To equip participants with the knowledge and skills necessary to develop effective strategic plans, implement performance monitoring frameworks, and produce accurate performance reports to support outcome-based decision-making.	Ability to develop strategic plans aligned with organizational goals, implement effective performance monitoring systems, and produce clear, data-driven performance reports to enhance accountability and informed decision-making.	SFSO	As and when required

Change Management Activities

3. Maturity Model and Feedback/Remediation

Medium	Activity	Target Audience	Objective	Expected Results	Conducted By	Frequency
Multimedia / Print 	Change Readiness Assessments	All Stakeholders	To ascertain the level of awareness and readiness towards the change.	Results will be analysed and remedial actions can be initiated to address major concerns from feedbacks	SFSO Distributed to MDAs and SOEs	Once
Multimedia / Print 	Maturity Model by Consultants	All stakeholders	To assess the current state of implementation, guide strategic improvements, and benchmark progress across MDAs and SOEs over time.	Able to measure Change acceptance level to be used for further improvement and planning in ensuring success of change.	WBT	Once

Change Management Activities Summary

Target Audience	Cabinet and ADUNs		PS, HOD, HLA and HSOEs		Central Agencies		SC and TC Committee Members		MSPCs and PTFs Members		Division and Districts Management Groups		Nominated RBB Champions, Focal Person cum Trainers, Trainers, Program Owners		Middle Management group and Working Level Support Group		Budget Review Officers		
	Completed	Incomplete	Completed	Incomplete	Completed	Incomplete	Completed	Incomplete	Completed	Incomplete	Completed	Incomplete	Completed	Incomplete	Completed	Incomplete	Completed	Incomplete	
	Activity																		
Engagement Session	✓		✓		✓		✓				✓		✓					✓	
Coordination Meetings					✓		✓												
Change Management Update Meetings								✗											
Overseas Exposure		✓	✓											✗					✗
Promotional and Educational Videos	✓		✓		✓		✓		✓		✓		✓		✓		✓		✓
Newsletters and Bulletins		✗		✗		✗		✗		✗		✗		✗		✗		✗	✗
Change Management Skill Building Workshops & Technical Trainings			✓		✓		✓		✓		✓		✓		✓		✓		✓
RBB Concept Training		✗	✓		✓		✓		✓		✓		✓		✓		✓		✓
System and Operational Work Processes and Standard Operating Procedure (SOP) Training			✓		✓		✓		✓		✓		✓		✓		✓		✓
Strategic Planning, Performance Monitoring and Performance Reporting Training		✗		✗		✗		✗		✗		✗		✗		✗		✗	✗

Legend:
 ✓ Represents activities that have been completed by the selected Target Audience.
 ✗ Represents initiatives that are yet to be completed, and required by the selected Target Audience.

- ADUNs - Members of the State Legislative Assembly
- PS – Permanent Secretaries
- HOD – Head Of Departments
- HLA – Head of Local Authorities
- HSOE – Head of State-Owned Enterprises
- SC – Steering Committee
- TC – Technical Committee
- MSPC – Ministry Strategic Performance Committee
- PTF – Program Task Force

Change Management Timeline

	2024				2025				2026			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<u>Awareness Activities</u>	<div style="border: 1px solid orange; padding: 2px; display: inline-block;">Awareness and Engagement session by State Financial Secretary & World Bank</div>											
Engagement Session												
Coordination Meetings												
Change Management Update Meetings												
Promotional and Educational Videos												
Newsletters and Bulletins												
Overseas Exposure												
<u>Training Programs</u>	<div style="border: 1px solid orange; padding: 2px; display: inline-block;"> <ul style="list-style-type: none"> Training of Trainers Training Sessions in Collaboration with Training Service Provider </div>											
Change Management Skill Building Workshop & Training												
RBB Technical Training												
PReMaS System and Operational Work Processes and SOP Training												
Strategic Planning, Performance Monitoring & Performance Reporting Training												
<u>Maturity Model and Feedback/Remediation</u>												
Change Readiness Assessment												
Maturity Model by Consultants												

END



State Financial Secretary's Office

Progress