



GOVERNMENT REFORM



FEBRUARY
2019
(Revised)



GOVERNMENT OF BERMUDA

The Cabinet Office

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Introduction

The Cabinet Office (previously the Ministry for the Cabinet Office with Responsibility for Government Reform) has developed this Strategic Plan (“the Plan”) to build a comprehensive roadmap to achieving Public Service Reform. The Plan highlights the current state and articulates a vision and future state. The Plan outlines clear, quantifiable objectives and is accompanied by a plan which identifies near-term activities of importance.

A Strategic Planning Consultant (the ‘Consultant’) has been assisting the Government of Bermuda. The Consultant was selected after completing the RFP process.

Successful organizations have three critical attributes:

1. A vision, purpose, and a coherent strategy - ‘the right strategic intent’
2. An operating model that enables execution of the strategy- ‘how you do it’
3. Key enablers (being both formal and informal) of the operating model - ‘organizational DNA’

This document centres on our strategic intent. It is crucial, however, to accept that our strategic intent will only manifest with an effective operating model and the right organizational enablers.

Cabinet has approved its **Vision** and **Purpose** (Section 1) for the Government of Bermuda. The Government of Bermuda will be effective when it is able to successfully execute its strategy aligned to this Vision and Purpose, so delivering the outcomes and impacts that its citizens need. The **Target Operating Model & Strategic Objectives** (Section 2) for Government Reform set the direction to enable the Public Service to move from its **current state** to this effective **future state** (Section 3).

To aid in launching an effective operating model and building the right organizational enablers, the following items accompany this Plan:

- A 100-day plan, which sets out the key steps – on the basis of what is known today - to plot the path from current to future state.
- An Organizational DNA report, which will provide context to some of the challenges Government Reform will face, not least the Trust Deficit.

1. Vision and Purpose

Our **Vision** is what we want the Government of Bermuda to become. Our **Purpose** is why we exist. These were approved by Cabinet on 24th of April 2018 and were created through wide stakeholder engagement including the Bermuda Public Services Union and the Bermuda Industrial Union.

Vision

A future forward Government for the people of Bermuda

Transparent | Agile | Talented | Digital & Data | Citizen-centric | Accountable | Innovative | Empowering | Sustainable

The Government of Bermuda focuses on the outcomes that society needs and wants while managing major economic, social and technological changes. A future-forward Government for the people of Bermuda means that Government is adaptable, address society's needs, inspires public trust and works to secure Bermuda's future. Underpinning this vision Government is committed to being:

Transparent	Government is serious about working for, and with, its constituents and stakeholders for the achievement of desired societal outcomes and will be held accountable. It releases quality and reliable information and builds trust in the eyes of the entire public.
Agile	Government is able to anticipate situations as well as react and adapt optimally to unforeseen events in a speedy and cost effective manner. It provides needed responses in the short term without compromising or sabotaging long-term objectives. Government is resilient.
Talented	Government is an employer of choice. It attracts, develops, motivates and retains a quality talent pool. It is responsive to the changing needs of its employees based – embracing flexibility – and rewards effectiveness and the achievement of clearly stated outcomes.
Digital & Data	Government is a digital leader. The public benefits from comprehensive, secure and accessible digital services from Government. Government also has modern, innovative digital tools to fulfill its responsibilities efficiently and effectively. Government uses leading Data techniques in decision-making and performance management.
Citizen-centric	Government places the Bermuda public at the center serving their needs effectively, affordably, collaboratively, inclusively and on a timely basis. Keeping the public at the core. Government strikes an appropriate balance between an internal focus on efficiency and effectiveness and an external focus on creating value to society.
Accountable	Government is accountable for measuring, reporting and achieving sustainable outcomes. A culture as well as systems and processes, of accountability are at the heart of all activity. Transparent, reliable reporting and effective auditing promote accountability and increase public confidence.
Innovative	Government is strategically innovative by taking a leading a leading role in driving national strategies – helping Bermuda to be globally competitive and diversified. It is also operationally innovative by delivering services more effectively while addressing long-term socio-economic, technological or other challenges.
Empowering	Government boosts economic growth and prosperity for its people. It supports activity which increases existing industries and diversifies into new areas of real potential to be globally competitive. It facilitates workforce development and entrepreneurial schemes to achieve wider socio-economic participation.
Sustainable	Government treats the future as an asset and prioritizes its efforts such that today's citizens are being taken care of while retaining a sharp focus on long term sustainability. It takes a holistic approach towards economic, social and environmental outcomes in the near and over the long term.

Purpose

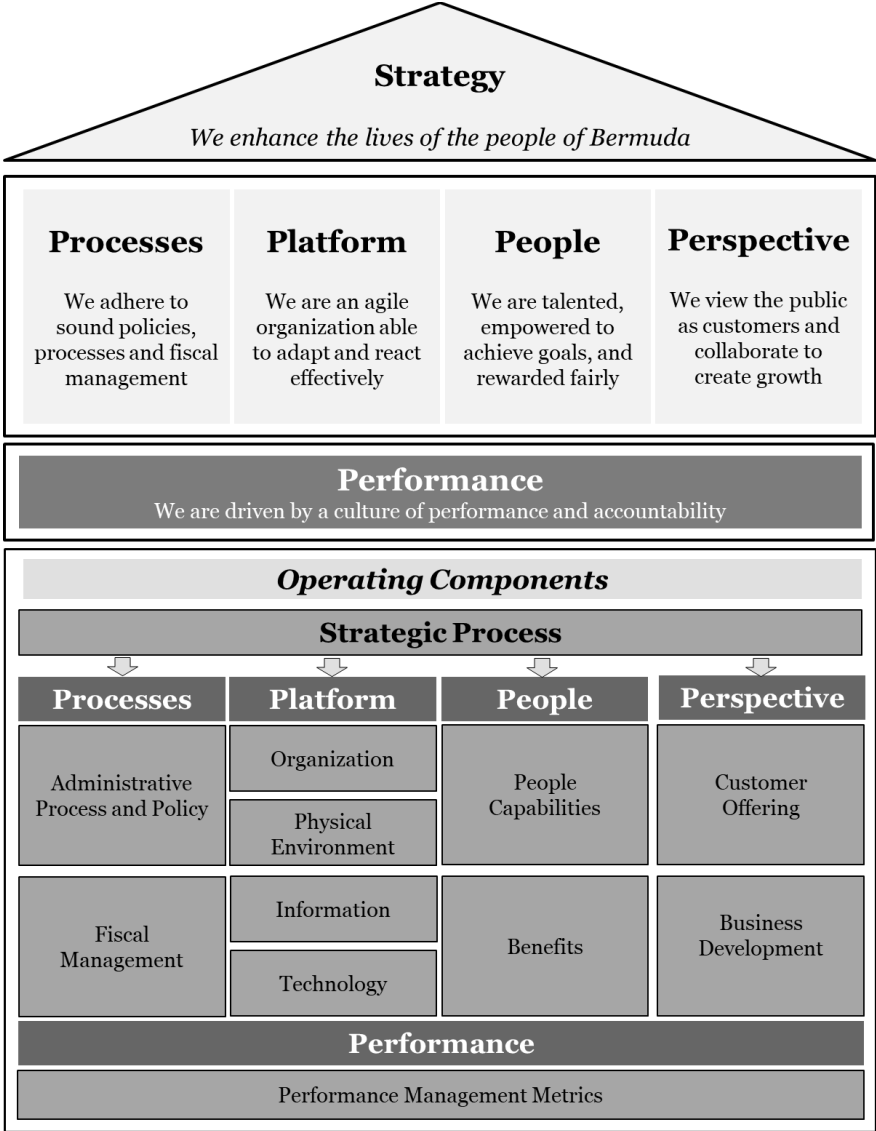
Our purpose is to enhance the lives of the people of Bermuda

2. Target Operating Model and Strategic Objectives

Underpinning our strategic intent are a series of strategic objectives which determine what needs to be accomplished in order to achieve Public Service Reform and define what success looks like. These objectives have been organised according to key operating components that together comprise our intended target operating model.

Target Operating Model

An operating model is a term that is widely used and has a variety of interpretations. For our purpose, the operating model is comprised of key operating components, the interactions amongst those components and the associated performance metrics. It will be consistent with the strategic choices made by leadership. Section 3 provides further information on each key operating component.



Strategic Objectives

Our strategic objectives are articulated at two levels across each layer of the operating model: **aspirational** and **detailed**. They indicate what each operating component should entail, and include detail of how to achieve them. The detailed objectives are specific, measurable, achievable, realistic, and timely. These objectives define what success looks like.

Strategy

Aspirational Objective	<i>Government actions and initiatives are guided by an overarching strategic plan drawn directly from the Vision to build a future-forward government that is a globally recognized digital leader.</i>
Key Components	Strategic Process
Detailed Objectives	<ol style="list-style-type: none"> 1. Develop and approve a 5 year strategic plan framed by the key operational components 2. Refresh strategic plan annually, measuring results, rewarding successes, incorporating lessons learned and refining objectives

Processes

Aspirational Objective	<i>The actions of public officers adhere to clear and unambiguous administrative processes and policies supported by a system of sound fiscal management. Material financial decisions are transparent, audited effectively and balance short term needs with long term sustainability.</i>	
Key Components	Administrative Process & Policy	Fiscal Management
Detailed Objectives	<ol style="list-style-type: none"> 1. Institute a Public Service Code of Conduct by 2020 2. Implement the Code of Practice for Project Management and Procurement by 2019 3. Enshrine broad set of rules that give preference in the awarding of contracts to companies that hire Bermudians 4. 75% of all policies are uploaded onto Policy Hub by 2020 5. 100% of all vendor contracts are uploaded into a centralized "Contract Hub" by 2020 6. 25% of policies have been reviewed for outdated/redundant information and confirmed to be fit for purpose by 2019 	<ol style="list-style-type: none"> 1. A comprehensive Fiscal Management Process has been documented and approved by 2019 2. Decrease OTC receivables by 30% by 2021

Platform

Aspirational Objective *The Public Service leverages agile organizational, physical and technological design that enables Government to anticipate changes and respond in a swift, cost-effective manner. Enabling technologies and distributed information architecture facilitate collaboration across Ministries and Departments. Innovation drives comprehensive, secure and accessible digital services to public officers and the public. Government strikes an appropriate balance between an internal focus on efficiency and effectiveness and an external focus on creating value to society.*

Key Components	Organization	Physical Environment
Detailed Objectives	<ol style="list-style-type: none"> 1. Consolidate Human Resources functions across Government into one HR function reporting to one Director of Human Resources by 2020 2. The purpose and activities of all boards and committees have been reviewed to determine if they are necessary and fit for purpose by 2020 3. A review of all Departments has been performed by 2020 to determine duplications and overlap of purpose or procedures with recommendations for consolidation 4. Review the current state of oversight over the Public Service (including the Public Service Commission) and design and implement a reform plan to ensure effective governance and oversight by 2019 	<ol style="list-style-type: none"> 1. An Asset Management Plan that outlines sustainability and usage of infrastructure for the next 50 years is approved by 2019 and is refreshed annually 2. A detailed Asset Register including key performance metrics is approved by 2020 3. Reduce employee workspace by 25% through flexible use of facilities and in line with global standards by 2020

Key Components	Information	Technology
Detailed Objectives	<ol style="list-style-type: none"> 1. Utilize social media channels for 100% of all the Public Service's communication by 2020 2. All data collectors and processors within Government have received Personal Information Protection Act ("PIPA") training by 2020 3. Develop data standards and definitions which enhance the quality and reliability of digital information by 2020 	<ol style="list-style-type: none"> 1. Institute the Information Technology Governance Team ("ITGT") by 2019, who will be responsible for technological decision making for the Government 2. Achieve 100% paperless processing by 2023 3. Finalize methodology and implementation plan for a digital ID system by 2019. Digital ID system running with 100% of citizens registered by 2022 4. Identify, as appropriate, 20% of current IT applications and move to cloud based applications by 2020

People

Aspirational Objective *The Public Service is an employer of choice, where talented individuals are rewarded fairly and valued over the long term, into retirement, for their contributions to enhance the lives of Bermudians.*

Key Components	People Capabilities	Benefits
Detailed Objectives	<ol style="list-style-type: none"> 100% of public officers have completed annual performance appraisals by 2020 Additional performance based pay/recognition provided to top 20% of performers across the Public Service 50% of all public officers participate in a Government wellness programme by 2020 Implement a centralized training platform, accessible by all public officers, by 2020 Consistent succession plan created and approved for all permanent secretaries by 2020 60% of roles in the Public Service have documented detailed job descriptions by 2020 	<ol style="list-style-type: none"> The Contributory Pension Fund and the Public Service Superannuation Fund are financially sound by 2023 Reduce the Government Health Insurance Plan deficit by 20% by 2023

Perspective

Aspirational Objective *Public officer's actions, internal and external, are driven by a customer service ethos. Effective solutions are created and delivered in collaboration with stakeholders. Residents, visitors and potential overseas investors view the Public Service as enabling partners that deliver desired outcomes in a timely manner.*

Key Components	Customer Offering	Business Development
Detailed Objectives	<ol style="list-style-type: none"> Transition 50% of current services performed to self-service options by 2022 Develop and approve a 5 year Public Service Plan that requires the review and justification of services provided by Government by 2020 All customer complaints or queries are logged and responded to within 48 hours by 2020 A formal process for monitoring, responding to, and addressing citizen's comments received via the Interactive Citizens Forum is established by 2020 	<ol style="list-style-type: none"> 200 jobs created by new business by 2021 \$1.5 million provided to Bermudian entrepreneurs each year Change in 60/40 rule to become law by 2020

Performance

Aspirational Objective

The Public Service is driven by a culture of performance and accountability. Progress toward the achievement of desired outcomes is measured in a fair, transparent and consistent manner across all Ministries and Departments.

Key Components

Performance Management Metrics

Detailed Objectives

1. Design and implement a standard set of performance metrics to drive accountability, promote transparency, and build public confidence by 2019
 2. A process for benchmarking actual results to approved performance metrics, including source and structure of reports to be used, has been documented and implemented by 2019
 3. All Ministries and Departments have submitted an annual budget which is aligned to their business activities by 2020
 4. Budget to actual reports are prepared and reviewed monthly with action items followed up within 30 days
 5. Fiscal discipline measures are included within performance metrics for public officers and politicians by 2020
 6. A strategy for publically communicating performance measurement methodology and results has been approved and implemented by 2020
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3. Current and Future State

The current state view of the Public Service has been developed across the key components of the operating model. The assessment has been made as a result of analysis of available reports (e.g. the SAGE Commission Final Report) as well as consultation with various stakeholders. Aligning with the Vision, similar analysis and consultation was performed to develop the future state. These are summarised over the following pages.

A core piece of analysis which served to inform our view of the current state was a survey conducted of the Public Service. This sought to assess the organizational DNA of the Public Service and key findings are highlighted at the end of this section.

Strategic Process

Process to establish an agreed and signed-off strategy document that articulates the strategy or strategies developed for the Public Service including the strategic guiding principles that have been used.

Current State (Current Operating Model)	Future State (Target Operating Model)
<ul style="list-style-type: none">• Varied and inconsistent strategic and operational business plans across Departments, lacking alignment with Government priorities• The Operating Plan for the Bermuda Public Service is prepared annually but is not shared with the public• Limited use of quantifiable objectives throughout the various levels of the Public Service• Implementation of key strategic actions is generally not monitored in a consistent manner, making oversight and tracking of ongoing initiatives difficult	<ul style="list-style-type: none">• An approved 5 year strategic plan that aligns with key operational components is in place and shared with the public• The Operating Plan for the Bermuda Public Service is prepared annually, and shared with the public• Quantifiable and measurable objectives are in place at both the Ministry and Department level as well as the Public Service as a whole• Implementation of key strategic actions from the 5 year strategic plan and the annual operating plan is monitored in a consistent manner, and results are communicated to the public• Addresses real choices and trade-offs, balancing short term responses with long-term objectives• Choices are linked to how the Public Service adds values to society and are based on readily available information

Processes

Administrative Process and Policy

Processes and policies promote agility, enabling the Government to react and adapt optimally in a speedy and cost effective manner. Focus is maintained on internal efficiency and effectiveness. Processes and policies are established to drive accountability of all public officers.

Current State (Current Operating Model)

- Processes in some departments are outdated, inconsistent, and not fit for purpose
- Processes for internal-facing functions do not meet the needs of public officers
- Accountability of public officers for the delivery of processes is not evident
- Not all levels of the Government are held to the same accountability standards
- Initiatives, projects, and reports are created, but rarely put into action
- Ministries and Departments often work in silos, resulting in duplicated processes being performed
- Conditions of Employment and Code of Conduct is under review
- New Code of Practice for Project Management and Procurement established which enables the Government to “use its purchasing power to promote equality of opportunity with regard to disability, gender, and race”

Future State (Target Operating Model)

- Established set of administrative processes and policies which are fit for purpose and focus on internal efficiency and effectiveness
- Clear ownership and accountability of the whole process from end to end. Those responsible for the delivery of processes are clearly defined and empowered
- Simplified and standardised common processes across the Public Service (including both citizen facing and internal processes) which allow reactivity and adaptability
- Eliminates silo operations where appropriate to support agility, collaboration, and transparency. Best practices are shared across departments and ministries
- Policies embedded in the Conditions of Employment and Code of Conduct are aligned with the Vision
- Centralized procurement and purchasing policies include a rigorous review of the best provider for each purchase while still ensuring activities progress with pace and in a cost effective manner
- Centralized database outlining all policies which is easily accessible to employees
- Consistent and clear administrative processes that drive the creation or amendment of public policies recommendations are structured for efficiency and agility
- Development of new policy and procedures based on postal information technology solutions

Fiscal Management

The process by which the Government's budget is prepared and executed

Current State (Current Operating Model)

- A Fiscal Management Process is in place, but can be improved on several factors
- Limited coordination of economic planning and financial management
- Budgeting process is built on previous year's budget as opposed to zero-based budgeting
- Nascent policies regarding public debt issuance and impact of Government guarantees and grants
- Limited alignment of the Budget Book with vision and strategic objectives of the Government, and each Ministry or Department
- Significant accounts receivable from delinquent taxpayers

Future State (Target Operating Model)

- A comprehensive Fiscal Management Process is in place covering: budget preparation, budget authorization, commitments of funds, payment & receipts management, cash management, debt and aid management, budget review and fiscal reporting and audit and evaluation
- Those responsible for economic planning and financial management coordinate closely to link long-term economic policies and short-term economic forecasts with budget development
- Performance based budgeting assigns budget to specific projects and measures successful budget use based on projects' key performance indicators
- A standardized and scalable Chart of Accounts (CoA) listing of all line items and supporting various revenue/expenditure classifications exists for proper analysis and linking to other processes
- Clear policies regarding public debt issuance, government guarantees and grants that are consistent with risk management guidelines
- Strategic plans of Ministries and Departments are embedded in the financial planning and budgeting process
- Annual budget preparation includes a reconciliation with previous budget statement and performance, an in depth budget for the current year developed according to forecasted revenues and expenditures, and a description of how policies/programs/initiatives will be funded in the medium term
- The Budget Book aligns with the core objectives of each Ministry or Department
- The Government's budget planning is strategic and resilient, investing to save where appropriate
- A robust tax collection process to minimize accounts receivable

Platform

Organization

The organizational structure allows the public service to be agile, reactive and adaptable. Responsibilities and reporting lines of The Cabinet Office, Ministries, and Departments, are transparent and facilitate collaboration to achieve a common purpose.

Current State (Current Operating Model)

- Current organizational structure has many layers and often overlapping roles and functions
- Certain core functions (e.g. human resources) are decentralized (5+ departments) resulting in overlap of work and inconsistent practices
- Current organizational structure is rigid and resources are not able to redeployed easily
- Decisions are second guessed
- Lack of clear responsibility for decisions and actions
- Strategic and operational business plans are inconsistent across departments and do not always align with the Vision

Future State (Target Operating Model)

- Structure is based on service delivery yet supports collaboration between Ministries and Departments
- Organizational structure is centralized with the minimum amount of layers providing a platform to be agile, reactive, and adaptive
- The Public Service's organizational structure has defined role descriptions and job families allowing resources to be flexed to areas of demand
- A simple, consistent and transparent approach to governance
- Consistent and clear approach to policy recommendations with embedded accountabilities enabling the Public Service to make the right decision, at the right level, at the right time
- Decisions are evidence based and supported by qualitative and quantitative data which is transparent
- Maintains and develops strategic relationships with partners and suppliers providing the ability to be reactive and adaptive to unforeseen events

Physical Environment

The ideal utilization and maintenance of the public estate to achieve long term sustainability. Innovative design of working spaces encourages flexibility. The public estate is continuously assessed and benchmarked to key performance metrics. Reliable and transparent reporting is available to the public.

Current State (Current Operating Model)

- First draft of Property Asset Management Plan has been completed
- Asset optimization methodologies (i.e. allocation, key performance indicators, etc.) currently in development
- Some vacant/underutilized assets have been monetized
- High cost associated with rental spaces and vehicles
- Software has been implemented to assist in the optimization and management of the public estate
- Flexible utilization arrangements are under consideration

Future State (Target Operating Model)

- Comprehensive Asset Management Plan supports long term sustainability while taking care of today's citizens
- Asset Management Plan objectives align with the Vision of the Government
- Sustainable, technology enabled government fleet which is cost efficient and innovative
- Asset register is maintained and assessed against key performance metrics
- Activities and resources are consolidated to facilitate the ideal utilizations of the public estate
- Space and usage standards conform to global benchmarks
- Plan for physical environment (including office space and vehicles) is based on flexible and mobile working

Information

Leading data techniques leverage quality and reliable information in decision making and performance management. Information is digitally stored and accessible to public officers and citizens. Transparent and speedy reporting builds public confidence.

Current State (Current Operating Model)

- Information does not flow freely between people and across Ministries and Departments
- Data is entered and stored in multiple places in numerous ways
- Reports and data are not consistently available within Government or to the public
- Limited citizen feedback is gathered
- Data obtained is not in a consistent format
- Lack of a gathering and reporting on performance metrics
- Inconsistent messages are received from members of the Civil Service Executive (“CSE”)

Future State (Target Operating Model)

- Data is stored digitally providing ease of access between Ministries and Departments
- Data is entered once, with consistent data standards and definitions, allowing the use of leading data techniques to leverage quality and reliable information
- Public officers have access to a digital repository of shared knowledge to assist in their roles and decision making
- Citizens and other stakeholders have access to relevant parts of the digital repository, building public confidence
- Citizen feedback and business intelligence are used to drive service offerings
- Data is used to identify trends and issues, to help improve services and target areas of concern
- Consistent culture regarding the importance of information security, with information governance defined, governed and owned centrally
- Effective 2-way communication between the CSE and public officers, accessing the talent and knowledge within the Public Service
- Major issues are discussed in public forums and are not limited to prepared speeches in parliament

Technology

Modern, innovative digital tools are used to fulfill the responsibilities of public officers effectively and efficiently. Comprehensive and secure digital services are accessible to the public. Innovative technology supports the island as a digital leader.

Current State (Current Operating Model)

- Systems are not integrated, making them costly and inefficient
- Applications across ministries are not linked and enhance the silo mentality
- Lack of controls around application selection and purchases resulting in multiple ministries buying different applications that perform a similar function
- Need for further automation in applications and platforms

Future State (Target Operating Model)

- Information systems, where appropriate, are cloud based reducing requirements for in-house technical capability and focusing on service management
- Systems have a common look and feel for ease of use and are based around strategic technology platforms
- Applications are implemented that offer a breadth of functionality across the Government, sharing between Departments where possible
- Applications are linked, facilitating collaboration between public officers
- Focuses on choosing and implementing innovative solutions that contemplate expected growth
- Formal, centralized processes in place to govern technology decisions
- Standardised infrastructure across the Public Service is managed centrally
- Modern, innovative, digital technology facilitates internal efficiency and effectiveness and mobile working conditions
- Technology applications connect the Public Service with the people of Bermuda through comprehensive, secure, and accessible digital services

People

People Capabilities

The Public Service attracts, develops, motivates and retains a quality talent pool. Flexible working arrangements are embraced. A strong performance culture is present and public officers are rewarded for effectiveness and achievement of clearly stated outcomes. Public officers feel empowered and accountable for achieving performance metrics.

Current State (Current Operating Model)

- Limited performance targets and agreed objectives for public officers
- Low level of accountability for achieving performance metrics in place
- Weak linkages between individual performance and advancement, enabling poor performers to not be held accountable
- Little use of lateral movement for development
- No standardized reward and recognition structures
- Insufficient recognition for innovation
- Limited talent management, reward and recognition and succession planning
- Very few flexible and agile public officers, empowered to work across disciplines collaboratively
- Some harmonization of human resource policies and collective bargaining agreements (3 main CBAs that differ)
- Outdated Conditions of Employment and Code of Conduct limit managerial levers
- Decentralized human resource function (5+ departments)
- Decentralized training facilities and resources (20+ departments)

Future State (Target Operating Model)

- A well-defined performance culture is embedded at all levels of the Public Service
- Public officers have clearly defined performance targets and agreed objectives, which are closely linked to strategic objectives
- Public officers are held responsible and accountable for achieving performance goals through ongoing, standardized performance evaluations.
- Performance management plan includes a structured remediation process for individual developmental needs identified in performance evaluations
- Long term strategic talent plan, including succession planning, focusing on attracting and retaining a quality talent pool
- Centralized human resource and training functions, serving all Ministries and Departments
- Encourage Government employees to make healthy choices, and contribute to their well-being by offering programmes, incentives and education
- Standardized reward and recognition structures are in place to motivate public officers
- Harmonized human resource policies and collective bargaining agreements
- Public officers are flexible and agile. They are able to collaborate ensuring the Public Service is responsive to changing needs
- Flexible working arrangements are embraced

Benefits

Long term benefits for public officers including, but not limited to pensions and healthcare, are structured, managed and distributed in a fair and sustainable manner. Public officers perform with confidence in their rewards for positive contributions upon retirement.

Current State (Current Operating Model)

- The ability to provide pension benefits to public officers consistent with expectations is questionable

Future State (Target Operating Model)

- Public officers reap the benefits commensurate with their service
 - Delivers adequate pension benefits to public officers, Ministers, and Members of the Legislature
 - A financially sound Contributory Pension Fund, Public Service Superannuation Fund, and Government Health Insurance Plan which are managed in a sustainable manner
 - Benefits are structured, managed and distributed in a fair and sustainable manner. Public officers perform with confidence in their rewards for positive contributions upon retirement
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Perspective

Customer Offering

Citizen-centric, the Government creates value to society and keeps the public at the core. Actions and efforts are prioritized to take care of the citizens of today while maintaining a focus on long term sustainability. Customer service interactions with public officers build trust in the eyes of the public. Public services deliver desired societal outcomes more effectively through operational innovation.

Current State (Current Operating Model)

- Digital technology adoption for service delivery is limited
- A detailed Public Service Plan has not been implemented
- Focus is not always on services that the Government can perform effectively and cost efficiently (e.g. vehicle maintenance, landscaping, insurance, etc.)
- Limited engagement with citizens relating to design of services.
- Innovative technology is not fully leveraged to assist in decision making
- Self-service is not the first option for most offerings (e.g. payment of parking and speeding tickets)
- No Government-wide mechanism for receiving customer feedback, logging of complaints and monitoring follow up
- Outsourcing is often not considered as a viable option for services, even when appropriate

Future State (Target Operating Model)

- Embraces the digital age. Access to information and service delivery are digital first and mobile by default
- Data driven in the design and delivery of services to meet the needs of different citizens
- A Public Service Plan that only delivers services that are justifiable and add value to society
- A simplified Public Service Plan, providing standard service and pricing for the majority of citizens; adapting services for those most in need (e.g. youth, elderly, disabled), and pricing for low socio-economic groups to deliver value to all citizens
- Engages with citizens to inform the design of services and build trust
- Leverages Geographic Information Systems to ensure consistent services across all parishes, delivering value to citizens whilst achieving operational innovation
- Promotes self-service through technology as the first option for public officers and citizens
- Pursues opportunities for shared service solutions as a way of improving capacity and sharing expertise to enhance service delivery
- Engages vendors to access skills, capacity, and innovative delivery of service not available in the Public Service

Business Development

Business Development encourages positive activity in the Bermuda economy, stimulates job growth, and benefits the Bermuda population. Attracting foreign investment capital, trade and businesses, especially that add to local jobs for Bermudians is a primary focus. Bermuda encourages business investment to benefit the people of Bermuda.

Current State (Current Operating Model)

- Registrar of Companies in active consultations to promote global firms to Bermuda
- Change in the 60/40 rule to increase the appetite for foreign direct investment
- Development of the world's first Global Risk Management Digital Market in Bermuda to support fintech ambitions
- In conjunction with the Bermuda Monetary Authority, co-creation of a world-class regulatory framework for the oversight of digital asset exchanges and digital currency business
- First technology incubator space to be operational by June 2018

Future State (Target Operating Model)

- Business ownership rules facilitate foreign direct investment
- Broad base of Government funding opportunities and incentives for entrepreneurs to promote job creation (e.g. direct lending, guarantees, reduction in payroll tax requirements)
- Government actively fosters entrepreneurship through incubators and accelerators
- Ensure that local and foreign investment add value to the Bermuda public, public officers and Government's key stakeholders
- Opportunities and threats are evaluated that can impact the Government internally and externally
- Identifies emerging economies that can generate economic activity
- Business development efforts increase connectivity and extra territorial initiatives
- Legislation and regulations that embrace and keep pace with changing technology and business needs
- Legislative environment which accommodates new technology innovators
- A regulatory environment that is agile and innovative

Performance

Performance Management Metrics

The public service is accountable for defining, measuring, reporting and achieving sustainable outcomes. Reliable data and reporting is instrumental in performance management. Accountability is at the heart of all activity and driven through a performance culture.

Current State (Current Operating Model)

- Lack of performance measurement structure to benchmark performance of the Government to plan
- Weak performance management culture
- Performance management systems are not existent or not used in many departments
- Data used is not conducive to reliable and transparent reporting
- Regular reporting or communication of performance is not made to the public

Future State (Target Operating Model)

- Balanced set of measures and metrics are implemented covering – citizen satisfaction, public services, people and financial results
- Key performance indicators (“KPI”s) are implemented across all Ministries and Departments to monitor performance
- Consistently benchmark to performance metrics to drive accountability for sustainable outcomes
- Performance of the Public Service to key metrics is transparent to the public
- Utilize standardized, reliable and agreed financial information to assess how we are performing, to manage the Government activities, and prioritize resources
- Standardised, reliable and agreed performance and financial information reports are easy to access and used consistently in the daily running of the Public Service

4. Organizational DNA

The Consultant surveyed the Public Service in order to evaluate a common set of formal and informal traits that determine any organization’s identity and performance (what they refer to as the Organizational DNA). Sent to roughly 3,000 employees between June 6 and July 20, 2018, they achieved a 16% response rate or 472 respondents across all departments.

Organizational DNA comprises four pairs of building blocks which affect the ability of an organization to execute on its strategy. A snapshot of these buildings blocks is highlighted below.

FORMAL LEVERS		INFORMAL LEVERS	
Decision Rights	How we make decisions <ul style="list-style-type: none"> • Governance forums • Decision rights • Decision processes • Decision analytics 	How we do things around here <ul style="list-style-type: none"> • Values and standards • Expectations and unwritten rules • Behaviours 	Norms
Motivators	How we encourage people to perform <ul style="list-style-type: none"> • Monetary rewards • Career models • Talent processes 	How we inspire people to contribute <ul style="list-style-type: none"> • Shared vision and objectives • Individual goals and aspirations • Sources of pride 	Commitments
Information	How we process data and knowledge <ul style="list-style-type: none"> • Key performance indicators and metrics • Knowledge management systems • Information flow 	How our people view the world and their work <ul style="list-style-type: none"> • Identity, shared language, and beliefs • Assumptions and biases • Mental models 	Mindsets
Structure	How we allocate work and responsibilities <ul style="list-style-type: none"> • Organizational design • Roles and responsibilities • Business processes 	How our people connect beyond the lines and boxes <ul style="list-style-type: none"> • Relationships and collaboration • Teams and other working units • Organizational influence 	Networks

Survey findings

The findings are not a hypothesis but the stated views of 472 public officers. The results provide context to some of the challenges Government Reform will face. The following represent the key findings identified in the Survey:

Organizational Type

Based on how an organization comes together, it is aligned with one of seven organizational structures. The Survey results categorize the Government of Bermuda as an “Over Managed Organization” which is described as a weak execution model. Key symptoms evident in this type of organization are:

- Lots of layers with narrow spans of control in the middle, resulting in a bottleneck which traps information flows and decision rights;
- Line employees being isolated from top managers, who, nevertheless, try to command and control them;
- A lot of wasted effort in this bureaucratic environment;
- Ritual promotions which ensure that mediocrity prevails over merit; and
- A slow moving and reactive organization.



82% of participants would classify the execution model of the Government of Bermuda as weak.

The Trust Deficit

A particularly important issue to resolve is the trust deficit within the Public Service. This is on a number of levels, including but not limited to:

- Mistrust between the Public Service and the Unions;
- Mistrust between layers of management;
- Mistrust around the level of commitment of political leadership to make a difference to the lives of the people of Bermuda



Only 33% of participants believe that senior people “walk the talk”



If a colleague makes a commitment, it can only be counted on 51% of the time.



75% of participants believe that internal processes and issues get in the way of enhancing the lives of the people of Bermuda

As Government Reform moves into a phase of execution, this trust deficit is an area of utmost importance to address head on.

Accountability

The lack of a performance management culture within the Public Service has embedded the mindset that accountability for actions and performance is not a critical success factor. Unclear ownership and accountability for actions perpetuate irresponsible or inconsistent behaviour. A performance management programme, including measures and incentives, will sharpen the Public Service's focus on accountability for achieving results. Key findings from the Survey showed that only:

18% agree that important strategic and operational decisions are quickly translated into action



45% agree that everyone has a good idea of the decisions and actions for which he or she is responsible



26% agree that the ability to deliver on performance commitments strongly influences career advancement



38% agree that we have metrics we need to evaluate our performance



Opportunity Areas

At a more granular level, the following represent significant issues, and therefore significant opportunities for Government Reform success across the various building blocks of the Public Service’s Organizational DNA:

Decisions & Norms	Motivators & Commitments	Information & Mindsets	Structure & Networks
Inability to translate strategic/operational decisions into action	People cannot count on others when commitments are mad	Information does not flow effectively across the organization	Organization has too many layers & too much complexity
Clarity of roles & responsibilities	Innovation is not rewarded	Does not adapt well to big changes	People do not collaborative across the organization
Not disciplined in focusing on efforts where they can enhance the lives of the people of Bermuda	Senior leaders don’t “walk the talk”	Conflicting messages are sent to the public	Too many overlapping roles
Decisions are second-guessed	Career advancement and compensation are not correlated to performance	Members of the Civil Service Executive do not deliver consistent messages	Process & issues get in the way of enhancing the lives of the people of Bermuda
		Metrics not in place for employees to evaluate impact of day-to-day choices	

5. Implementation

Programme Management

Given the complexity of this strategic initiative, the number of isolated projects, inter-connected, cross-government activities, multi-year timeframe, quantity of stakeholders and the scope of the organizational transition, it is imperative that the implementation is well-structured and planned. Thus, a Programme Management approach is being utilized to execute the multi-year implementation to move Government from the current state towards the future state. Programme management is the coordinated management of projects and change management activities to achieve beneficial change.

Change Management

Change management principles underpin project planning and implementation. During the design and implementation stages, the network of Change Leaders *i.e. Champions, Business Change Leaders and Change Agents*, will ensure the **purpose, individual benefits, expectations and relevance** of changes, are communicated. They will also address any change reactions appropriately.

Governance

Figure 1 Programme Governance structure, outlines how the projects are structured for implementation and the responsibility for leadership, direction and operations. Management Consulting Services (MCS) will function as the Programme Management Office (PMO) and Project Managers on each Project Team.



Figure 1 Programme Governance Structure

