

Bank Negara Malaysia's Business Plan 2009 – 2011

Introduction

Bank Negara Malaysia's three-year Business Plan is an important strategic management process aimed at providing clarity and focus to the organisation's policies and activities towards achieving the mandates of the Bank. Amidst a changing and often challenging operating environment, organisation-wide clarity and alignment of key outcomes and deliverables are essential in ensuring that the Bank is effective in discharging its roles and functions. The Business Plan is also a key tool in ensuring the Bank achieves its vision of being a progressive and high performing central bank that is committed to the highest standards of excellence.

Overview

The last three-year Business Plan, 2009 – 2011, outlined eight strategic focus areas, each comprising of key strategic outcomes with corresponding strategies and action plans to achieve these outcomes. The strategic focus areas were clustered around the key mandates of the Bank, namely ensuring monetary and financial stability, developing a progressive financial sector, and fostering a reliable and efficient payment system. In addition, priority was also placed on strengthening the internal capacity and capability of the Bank, specifically in the areas of human capital development, risk management practices, financial resources management, and physical and information technology infrastructure. Another key focus area was in external communications and stakeholder engagement to ensure the Bank's policies and initiatives are well understood and achieved their intended outcomes.

The Business Plan is outcome driven, and for the period 2009 – 2011, a total of 33 strategic outcomes were identified as key priorities for the Bank. To ensure the effective implementation of the Business Plan, a robust strategic management process was put in place to achieve organisation-wide clarity of the strategic objectives, create line-of-sight to organisational goals, provide a greater appreciation of interdependencies among policy outcomes and emphasises the need for effective horizontal collaboration across the Bank. In addition, the Business Plan also allowed for more informed decision making on the optimal allocation of resources to areas that were of strategic importance.

Key Achievements of Business Plan 2009 – 2011

As 2011 concluded, the Bank achieved almost all strategic outcomes. During this period, the Bank created a conducive operating environment through implementation of wide ranging policies to sustain domestic growth with price stability, financial stability and orderly domestic money and foreign exchange markets. As an economic adviser to the Government, the Bank was also involved in the formulation of macroeconomic policies to mitigate the impact of the global financial crisis on the domestic economy, and in providing advice on key strategies for the long-term transformation of the Malaysian economy. The financial system remained stable and resilient during the year and continued to function without disruption of the intermediation process. Important in this endeavour is the robust surveillance mechanism, as well as the strengthened regulatory and supervisory framework. The Bank also strengthened cooperation and coordination on surveillance and crisis management with other central banks and regulatory agencies in the region. Success was also achieved in further strengthening the internationalisation of Islamic finance as well as market conduct and consumer protection.

To ensure a high level of effectiveness and efficiency, the Bank embarked on initiatives to strengthen its internal capacity and capability, with emphasis on governance, risk management, human capital development, and communications and stakeholder engagement. The enactment of the new Central Bank of Malaysia Act 2009 equipped the Bank with enhanced capacity to pursue its mandates reinforced by the institutionalisation of the governance framework that ensures a high level of accountability and transparency. The Board's oversight function was also further strengthened through the establishment of Board Risk Committee and Board Governance Committee that enabled a higher level checks and balances. Risk management practices were further reinforced by adopting new Operational Risk Management and Financial Risk Management frameworks, as an integral part of the Bank's decision-making process.

In continuing to build a competent and progressive workforce, the Bank strengthened its leadership pipeline, streamlined roles and job functions with a competitive remuneration package and invested in an effective knowledge management system. Communications and stakeholder engagement strategies enabled the Bank to more effectively provide its views and perspectives while receiving feedback on its policies and issues.

Moving forward

The Bank's Business Plan 2009 – 2011 created the foundation to ensure organisational continuity and preparedness to better face the challenges going forward in achieving the Bank's desired outcomes. In line with the implementation of the Financial Sector Blueprint, focus will be given to developing a more inclusive financial system, promoting greater integration of Malaysia into the regional and global economic and financial system as well as sustaining the high performance of the Bank. These issues and priorities are being addressed in the new Business Plan 2012 – 2014 to ensure that the Bank continues on its path towards becoming a strategically-focused, outcome-driven and sustainable organisation.