

Bhutan's Civil Service Reform: A Focus on the Future

From the Royal Civil Service Commission

How the Civil Service is being Reformed

A Royal Kasho on 2nd February 2021, mandated that the civil service be transformed so that it has a renewed vision for the 21st century and provides a foundation for a robust, apolitical, meritorious, innovative, and resilient civil service driven by a culture of research, technology, and enabling legislation with the highest ethical and moral standards of its leaders and personnel. Civil service reform plans were initiated by the Royal Civil Service Commission (RCSC) in close collaboration with the government and an Executive Transformation Team (ETT) to accelerate transformation through restructuring exercises aimed at establishing and strengthening ministries as the foundational structure of governance for a more effective role in policy setting and enforcement.

The objectives were to reposition ministries and agencies strategically with allied mandates and common objectives for greater synergy and collaboration, to leverage technology for improved service delivery and productivity, cluster common services to provide support functions such as finance, Information and Communications Technology (ICT) and procurement for optimal human resource utilisation, and outsource and consolidate services where feasible, for cost efficiency.

In September 2022, the Cabinet endorsed the report on “Restructuring of the Civil Service Agencies”, along with a review of its impact on existing laws, carried out with support from the ETT and the OAG (Office of the Attorney General). Subsequently, the Cabinet decided to table an “Omnibus” Bill titled “Civil Service Reform Act 2022” to the Parliament as an urgent bill because the restructuring proposal impacted 46 existing Acts. The Omnibus Bill was enacted by the Parliament on 15th December 2022, as the “Civil Service Reform Act 2022” with the RCSC as its custodian. Some of the significant highlights in the Act include the reduction of ministries from 10 to nine, the folding of autonomous agencies into

relevant line ministries, the delinking of judicial service personnel from the civil service, and the empowerment of RCSC to determine the tenure and terms of reference of senior civil servants.

The RCSC selected four strategic levers: (1) enhanced leadership in organisations; (2) strengthened governance systems; (3) dynamic civil servants; and (4) robust structures. The transformation underscored the need to change underlying assumptions and adopt new ways of providing public services, requiring changes in systems, processes, and organisational culture.

1. Enhanced Leadership

Leadership is considered a key lever to drive transformation as it is the guiding force that propels an agency towards its goals, fostering unity, direction, and a culture of excellence. It calls for a reassessment of the fundamental assumption of how leaders were groomed and selected for a vibrant and responsive civil service. A rigorous leadership competency assessment was carried out for the executives by a panel of experts. Those who did not meet the expectations had to exit the system. In a small society, executing such decisions has been hard, yet a start had to be made to punctuate the equilibrium. A system of continuous assessments was put in place through a “performance management system” to ensure that leaders deliver and drive their agencies. A new system to identify young talent and groom them for the civil service was instituted and the existing system and process of executive selection was replaced by a more rigorous competency-based system.

Key focus areas:

Leadership Selection - Revamping the selection process for management and executive positions to align with the Leadership Capability Framework (LCF), incorporating comprehensive assessment methods and increased agency representation in selection panels.

Annual Executive Performance Assessment - Conducting mock moderation exercises to prepare executives for performance assessments, promoting a competitive and merit-based environment.

Leadership Development - Implementing training programmes for senior civil servants, specialist heads, and officials from various sectors to enhance performance management skills and foster a learning culture.

Nurturing Leadership Programme (NLP) - NLP is a new leadership capability-building initiative designed and implemented for 65 senior civil servants and 60 school leaders. The programme facilitated performance coaching, peer-to-peer learning, and learning to do in the real-life work context so that the leaders could create a high-performing work culture and bring about transformation in their respective agencies.

Talent Identification and Management - Introducing initiatives such as the leadership course for executive candidates (EXCEL), potential assessment, and leadership development programmes to identify and nurture future leaders within the civil service.

King's Scholarship Programme - Introducing a scholarship programme to groom young talents for leadership positions in the civil service, emphasising academic excellence and diverse talents.

Developing a Talent Management Framework - Providing specialised training to Human Resource (HR) officers to develop a comprehensive talent management framework focused on talent development, performance management, succession planning, and talent acquisition.

Expansion of Talent Pool - Unlike in the past, select civil service executive positions were opened to candidates from the corporate and private sectors, based on the professional competencies required for the proposed positions. This move is expected to expand the talent pool, providing a wider choice of better candidates and facilitating the exchange of management ideas and practices to enhance efficiency.

The initiatives aim to cultivate a cadre of world-class professional and strategic leaders within the civil service, aligned with the broader goal of fostering organisational excellence, and contributing to the development of the country.

2. Strengthened Governance Systems

Strengthening governance systems aims at promoting meritocracy, accountability, integrity, efficiency, and effectiveness in the civil service through various interventions.

Key highlights:

Performance Management System Revision - The introduction of moderation to differentiate performance scores and ensure accountability, leading to a transition from agency performance ratings to a fixed bell curve approach.

Partially Meeting Expectation Management Strategy - Implementation of strategies to support staff identified as partially meeting expectations, including performance improvement plans and regular monitoring.

Revamped Performance Dashboard for Education Sector - Introducing a standardised performance dashboard to address concerns and streamline the performance management process for teachers.

Public Service Delivery Improvement - Implementation of a service evaluation tool (SET) to gather feedback from citizens and improve service delivery based on their experiences.

Transitioning from Compliance to Strategic HR Auditing - Shift towards strategic HR auditing to identify cross-cutting HR issues and recommend interventions for organisational excellence.

Introduction of Annual Leave - To promote periodic rejuvenation and a healthier work-life balance for civil servants, the RCSC introduced annual leave in addition to the existing leave options.

Revision of BCSR 2018 - Revision of the Bhutan Civil Service Rules and Regulations (BCSR) to align with systemic changes and introduce policies aimed at enhancing career progression, performance-based promotions, and employee benefits.

ICT Initiatives - Implementation of various ICT initiatives to enhance service delivery, decision-making processes, and system integration within the civil service.

Transition of RCSC ICT Team to Government Technology Agency - Transfer of the RCSC ICT team to the newly established Government Technology Agency (GovTech) to centralise ICT operations and support digital transformation efforts.

These initiatives aim to improve governance, accountability, efficiency, and effectiveness within the civil service, ultimately contributing to national development goals.

3. Dynamic Civil Servants

Civil servants are vital for national development and efficient public service delivery. It is crucial that they possess the required skills, behaviours, commitments, and dedication to serve the Tsawa-Sum. The knowledge, skills, and attitude of civil servants are instrumental in fostering organisational growth and development. The following activities were undertaken to groom a dynamic and capable civil service workforce with strong values dedicated to the service of the Tsawa-Sum.

Key highlights:

Foundational In-service Training (FIT) - Started in 2020, FIT aims to equip new recruits with the necessary competencies, mindset, and behaviour for a dynamic civil service. The programme focuses on skills and competency building tailored to the needs of the 21st century.

Empathy Skills Training (EST) - Implemented to enhance positive experiences for service users, EST is prioritised as one of the low-hanging fruits in the public service delivery landscape.

Undergraduate RGoB Scholarship - These scholarships play a vital role in addressing the demand for skilled human resources in the civil service. The RCSC took over the administration of the scholarship programme, aiming for end-to-end management under one agency. Initiatives include partnerships with international universities and colleges to secure

scholarships for Bhutanese students.

Competency-Based Framework (CBF) - Guides human resource development initiatives, ensuring they are strategic, structured, and linked with career advancement.

Skills4Life Programme - Launched in collaboration with the Ministry of Education and Skills Development, this programme aims to provide targeted skills training for General Service Personnel (GSP) and Elementary Service Personnel (ESP) employees. The goal is to equip them with resilient, flexible, and adaptable skills for 21st-century challenges.

Bhutan Civil Service Examination (BCSE) - The recruitment and selection process for university graduates into the civil service are conducted annually. The Preliminary Examination (PE) and Main Examination (ME) test candidates' competencies and subject knowledge. Categories include Administrative Services, Finance Services, Dzongkha, Education Services, and Technical Services.

Pre-employment Mandatory Drug Test - Starting from 2023, drug test facilities have been extended to dzongkhag levels to ease the burden on graduates traveling to Thimphu. This initiative ensures graduates produce a mandatory pre-employment drug test certificate to be eligible for civil service appointments.

These various initiatives aim to groom a dynamic and capable civil service workforce with strong values dedicated to serving the Tsawa-Sum and contributing to the socio-economic development of Bhutan.

4. Robust Structures

Civil service agencies had to be restructured to achieve long-term strategic policies and goals, embrace evolving technology, and improve public service delivery. This transformational change is aimed at reducing redundancies, consolidating services, and sharpening delivery focus.

Agencies Reorganised and Restructured - Structural changes were approved for various civil service agencies. It includes the creation of new divisions, renaming of divisions, and bifurcation of existing divisions in

agencies like the Royal Audit Authority (RAA), Ministry of Infrastructure and Transport, Ministry of Education and Skills Development, Thimphu Thromde, Bhutan Food and Drug Authority, and Ministry of Home Affairs.

Outsourcing of Services - The outsourcing of cleaning services commenced from 1st January 2023, led by RCSC. This initiative expanded to various ministries and agencies, including the Ministry of Industry, Commerce, and Employment (MoICE), the Ministry of Infrastructure and Transport (MoIT), and the Government Technology Agency (GovTech). The outsourcing of cleaning services led to cost savings, efficiency improvements, and redirected focus on core functions.

How the Civil Service has been Restructured

With the enactment of the Civil Service Reform (CSR) Act of 2022, the Commission worked closely with the executives to accelerate efforts to transform the civil service. The aim was to restructure civil service agencies and leverage the use of technology to better serve the public. The restructuring exercise was guided by three key principles: i) ministries as the foundation, ii) ministries working together, and iii) optimisation - doing more with less.

The initiative culminated in, amongst others, rationalising ministries from 10 to nine, bringing in strategic functions such as technology, prospective economic and strategic human resource planning under the Cabinet Secretariat, and enhancing strategic coordination within the government by creating a Committee of Four Coordinating Secretaries (C4CS). Allied mandates were clustered to optimise synergistic links to the shared goals, strengthen accountability, and enhance coordination and collaboration by designating four secretaries (who concurrently head one of the ministries in that policy cluster) as Coordinating Secretaries to support centre of government (Governance), Social, Economic, and Security/Defence Clusters.

The new Ministries:

1. Ministry of Agriculture and Livestock
2. Ministry of Education and Skills Development
3. Ministry of Energy and Natural Resources

4. Ministry of Finance
5. Ministry of Foreign Affairs and External Trade
6. Ministry of Health
7. Ministry of Home Affairs
8. Ministry of Industry, Commerce and Employment
9. Ministry of Infrastructure and Transport

The new Ministerial structures were implemented beginning March 2023. In addition RCSC, in collaboration with the ETT, reviewed the roles, functions, and governance structures of the various agencies in government. While some agencies having similar functions were clubbed together to form new agencies, others like the Tourism Council of Bhutan and National Environment Commission were converted to full fledged departments within related ministries.

The concept of clustering of agencies with four Coordinating Secretaries through the C4CS was instituted to ensure that the communications, accountability for performance results, and reporting along the results chain are made clearer and sharper. It is expected that this arrangement will provide a clear managerial accountability line in utilisation of resources and performance management in the civil service. The C4CS are accountable to the Cabinet and the government secretaries and executives, in turn, accountable to their respective ministers. The cluster concept is also expected to provide better policy coordination. The Prime Minister and Cabinet Ministers can look to one Secretary accountable for policy outcomes by cluster. This arrangement is also expected to support the Cabinet Secretary's role for Bhutan's long-term planning and strategic outcomes. Hence four policy clusters, namely a) Governance, b) Social, c) Economic, and d) Security/Defence were created and four Government Secretaries are designated as Coordinating Secretaries in their cluster.

Approach and Policy for the Future of the Civil Service, Mostly on the Objectives and Vision

The Bhutanese civil service will continue to play a critical role in Bhutan's socio-economic transformation and in elevating the country to the league of developed nations. It must continue to provide quality policy proposals and alternatives for the government to make decisions, execute policies and programmes, and provide high-quality public services needed for the

efficient functioning of the economy and society at large. Civil servants will be called to perform in a very dynamic and ever-changing socio-economic-technological environment. It would need capabilities, structures, and processes to support whole-of-government responses to the most pressing challenges. Hence, there is a need not only to develop a congenial operating context but also to develop requisite competencies and character in civil servants so that they will be enabled to support national aspirations. Below are some of the areas identified to improve service delivery cost effectively.

1. Enhancing Productivity and Performance

The bureaucracy has to raise its performance bar for Bhutan to become a developed state. The current incremental approach to improving processes and enhancing productivity will not achieve the ambitious 13th FYP goals and the aspiration to become a developed country by 2034. There is a danger that we perpetuate performance mediocrity. To affect a higher level of productivity and performance, the civil service will continue to explore a multi-pronged approach. This includes setting and aspiring to more ambitious targets, adopting game-changing strategies, improving accountability mechanisms, enhancing elements of competition, performance-based incentives, fostering a culture of flexibility and innovation, diligently pursuing public-private-partnerships, and outsourcing. However, market measures will have to be considered carefully to maintain public interest, ethical standards, and fairness in the management of public resources.

2. Securing Long-term Public Interest

Experience has shown that many different groups within the civil service approach the government with requests. This has led to situations where politicians have pandered to public servants. Such developments undermine the integrity of governance and distorts public policy priorities. By prioritising the demands or preferences of specific groups within the public service, it may result in short-term solutions over long-term sustainability and sacrifice greater good for immediate relief. This can lead to ineffective resource allocation and inefficiencies. Moreover, pandering to public servants can create a culture of entitlement and dependency, where decisions are made not based on merit or the common good, but on the power wielded by groups that have the ability to put pressure due to

their large size or influence.

Ultimately, such practices can undermine merit, hinder effective governance, and jeopardise the well-being of society as a whole. Therefore, it is crucial to uphold public interest and resist the temptation to cater solely to specific interest groups within the public service.

3. Transformational Leadership

As Bhutan aspires to be a developed nation, the bureaucracy must see behavioural transformation like changing the attitudes, values, and practices of individuals and groups within the organisation to foster a more entrepreneurial, risk-taking mindset, and an adaptive, and innovative work culture. RCSC will continue to invest in building and empowering leaders and change agents, promoting cross-functional collaboration, and leveraging technology to support behavioural transformation initiatives as the key levers for change. We must build transformational leadership with commitment, persistence, and a holistic approach where there is involvement of employees at all levels and an environment that encourages continuous learning and improvement to drive an agile and responsive workforce in organisations. Above all, transformational leadership must begin with leaders embodying the change and living as examples for the rest to emulate in attaining the desired state.

4. Optimising Resources in the Civil Service

As a welfare state, our efforts have been to provide free and easy access to quality administrative and social services. The nature of geographical terrains, human settlements, transportation, connectivity, networking, and communication technology have largely dictated the infrastructure and service delivery processes leading to huge maintenance and service delivery costs to the government. However, with improved connectivity, availability of modern technology, and considering the declining population, there is an opportunity to optimise and improve the efficiency, effectiveness, and overall quality of service delivery in some areas. Bigger service sectors like the Ministry of Health and Ministry of Education and Skills Development have the potential to optimise their facilities and services and reduce costs without compromising the quality of services that they provide. Similarly, there is also great potential to reduce government expenditure by reviewing

and rationalising the administrative set-up in the dungkhags and gewogs and the public services that they provide.

5. Harnessing the Potential of Technology

Technological advancement has the capacity to redefine the way we work. There is a huge scope of harnessing the power of technology like cloud computing, automation and workflow management, data analytics and business intelligence, blockchain technology, and AI in the civil service which could potentially help reduce the cost of service delivery.

Mobile applications like G2C (government to citizen) services have already made a difference and new initiatives like the National Digital Identity and Electronic Patient Information System (ePIS) could significantly bring efficiency in the processes and alter the service experience for stakeholders. Technology can significantly reduce the demand for staff in several ways like automation of routine process-related tasks, triggering actions based on predefined rules, integrating disparate systems, introducing self-service portals, using chatbots and virtual assistants to handle basic service-related inquiries, predictive analytics tools/software that analyse data for quicker decision making, and providing online courses and assessments through learning management systems which reduces the need for HR to coordinate training sessions manually.

The technology could also provide room for flexi-working for civil servants, in particular parents with young children, thereby improving staff well-being and talent retention. RCSC, in collaboration with GovTech, will continue to look for opportunities to harness technology for, better, faster, and cheaper services.

6. Aligning Employment Systems with New Generation Perceptions

The traditional work model where one works full-time in an agency carries out specific tasks within predisposed work hours, and progression in salary grades largely based on seniority is changing fast. In the future, the most high-value work will be cognitive in nature. Employees will have to apply creativity, critical thinking, and constant digital upskilling to solve complex problems. The digital economy demands new ideas, information,

and business models continually expanding, combining, and shifting into new ventures. The increasing popularity of alternative working patterns such as part-time working, flexitime employment, telecommuting, job-sharing, and compressed work week mark important changes in the nature of work. This requires changes in the way we define jobs and align human resource processes around them. Creating such an appropriate work climate and employment arrangements to attract and retain new generation talents are areas that RCSC will focus on.

7. Human Resource Management Autonomy Through Manpower Management Framework

The Manpower Management Framework (MMF) aims to provide autonomy to the agencies in making decisions related to their manpower, such as recruitment, staffing, and managing employees, within the constraints of the allocated budgets. MMF will give agencies greater autonomy over how they allocate and utilise their resources, with guidelines or limits in place to ensure responsible spending and effective manpower management. Overall, the ministries and agencies will be empowered with more flexibility while ensuring accountability and responsibility in the utilisation of resources.

Conclusion

In conclusion, the civil service reform, initiated in 2021 and solidified through the enactment of the Civil Service Reform Act of 2022, represents a forward-looking approach to enhance efficiency, professionalism, and accountability within the civil service. These reform initiatives hinge on the major focus areas of enhanced leadership, strengthened systems, dynamic civil servants, and robust structures. They are aimed at modernising the civil service, ensuring it remains responsive to the needs of the citizens and adaptable to the evolving demands and challenges of the 21st century. Further, the reform is focused on enhancing service delivery and fostering a culture of excellence and innovation within the civil service. On the whole, the civil service aspires to align its efforts with the nation's aspirations for socio-economic development and national prosperity.