

# **AN APPROACH TO HUMAN RESOURCE PLANNING IN NEPAL THE CASE OF NEPAL CIVIL SERVICE**

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This report presents an approach to Human Resource Planning in Nepal — the Case of Nepal Civil Service prepared under UN/DESD Project # NEP /88/034, Strengthening Institutional Capabilities of the Ministry of General Administration. It highlights issues in Human Resource Planning in Nepal and provides an approach towards building a human resource plan for the country. As a case illustration, the report focuses on the Nepal Civil Service — its environment and current situation, programming action areas, and monitoring and evaluation of its human resource system.

## **Introduction**

Human Resource Planning is a strategy for building, acquiring, utilising, improving and retaining a nation's human resources. It is a multi-disciplinary exercise; the economists who are primarily instrumental in the formulation of a state's development plans have the know-how on the operation of the labour market at the macro and sectorial levels; the statisticians have developed models of manpower analysis and forecasting; and the management scientists have professional capabilities to understand the behaviour of the various groups, and the management, motivation and development of human resource at all levels. Human Resource Planning has both quantitative and qualitative dimensions; human resource is an asset; it has to be optimally created and effectively managed.

Traditionally, planning in any field has been the prerogative of economists and statisticians; but to ensure a holistic, pragmatic and implementation oriented planning, management professionals, particularly those specialising in organisation behaviour and personnel management, effectively contribute

to economists and statisticians thinking by enabling them to appreciate cultural, institutional, managerial and behavioural constraints in planning. The problems of planning are not in the logic of the plan but in its implementation and effective management. Human Resource Asset management is more important for a nation than just creation of assets. Good theoretical models do not necessarily ensure effective implementation; human resource planning ensures that there is trained, competent and committed manpower available to implement the national plans effectively.

Human resource differs from land and capital; technology and finances; it is unpredictable, in the sense that it is capable of exercising individual judgement and "freely" determining the course of its actions. And more importantly, untapped and under-utilised human resource has moral, social and political implications well beyond those of idle land, capital or technology. In a limited sense, human resource planning is closely related to the efficiency and effectiveness of the nation and its organisations and institutions. It may, however, be pointed out that efficiency and effectiveness not inherent in assets, they are a consequence of good Human Resource Planning, Management and Development. The need for Human Resource Planning arises from many facets of a developing nation. It is unrealistic to assume that skilled, competent and motivated manpower will be freely available in developing the country. Therefore there has to be concerted effort to generate an optimum profile of manpower through educational planning or appropriate training programmes (setting aside time) for their development. Human Resource Planning helps create an organisational climate for competence, commitment and performance and prevent the need for suddenly dismissing employees, which is not easy. Overmaning can be avoided through Human Resource Planning, and excess manpower can be dealt with by retraining, voluntary redundancy schemes, exploiting opportunities provided by the natural wastage, etc. This may minimise the social problems caused by a large number of employees being off-loaded suddenly.

The need to establish optimum recruitment levels and numbers of promotions, anticipate redundancies, avoid unnecessary dismissals, allow for proper training and development for updating knowledge, skills and attitude needed for improving efficiency argues well for developing a national human resources plan.

It may be said at the outset that human resource planning has both Quantitative and qualitative dimensions. Economists and Statisticians who deal with quantitative dimensions have yet to develop tools for exact forecasts, as such forecast is rarely achieved in practice. Human beings display a commendable resistance to predictability. A plan provides a general trend and helps identify potential trouble spots. Human Resource Planning is

a continuous process, not only at national level but also at sectoral, organisational levels. It influences the sectoral organisational strategy and is in turn influenced by it. A strategy based on sudden expansion, e.g., in the energy sector, may be revised in the light of the existing trained human resources available in this field. Or the availability of a large unutilised pool of engineering personnel may call for increasing the targets in the related fields of development.

In order to formulate HRP for any nation, one would require to answer the following questions.

### **1. Data/Information**

Do we have sufficient data to facilitate HRP? Both qualitative and quantitative information must be available and it must be up to date and accurate (as far as possible). In most countries, sector, occupation and organisation-wise information is collected in decennial census or sample surveys; some have built Computerised Human Resource Information System (HURMIS).

### **2. Interface/Communication**

Do we have an open channel of communication among policy makers, planners and client groups? A Human Resource Planner must be able to communicate with the policy makers and administrators, and be familiar with the quality and orientation of the human resource in the particular sector or occupational groups. He must have skills to interpret the goals of the policy makers and the capabilities of the existing manpower in sectors or organisations to each other. Communication at all levels of the government or organisation is vital, much of the success in human resource planning in the Civil Service (UK/Canada, e.g.) has been due to the full involvement of the employee-organisations concerned. Otherwise the human resource planner in a government works in ivory tower isolation as a hired academic.

### **3. Multi-Disciplinary Approach**

Are we able to set up a multi-disciplinary group? In today's world, no problem is unidisciplinary; it calls for a multi-pronged approach. In HRP, the assistance of economists, sociologists, behavioural scientists and Training and Development Experts must be added to the expertise of personnel and human resource management. The HRP team should include or have access to people with these skills and the team must be structured in such a way that necessary cooperation among them is forthcoming.

#### **4. On-going Exercise**

Can we set up a cell on HRD planning which will treat it as an on-going exercise? None of the above conditions can be met overnight; with the fast changing policy and socio-economic environment in which most developing countries operate, HRP has to be a continuous process rather than something which is carried out and abandoned. With a good HURMIS and effective communication at all levels, potential HRP problems should be detected at an early stage to allow for the initiation of corrective **measures**. HRP should not be a five yearly exercise; it should also not be a fire-fighting exercise (i.e., when an emergency arises or a cut-back exercise is undertaken); it should be a continuous activity supporting all developmental and administrative activities.

#### **5. Linkage with National Plan**

Is it possible to tie up HRP with national planning? HRP would be meaningful only if the national plan is tied to specific data and well-defined, clear and measurable objectives. It is always helpful if earlier plans and their findings are recycled in the formulation of the next plan. Wherever the plan is specific enough the HRD plan can be developed to enable the country to recruit or train the human resources needed to accomplish specific objectives.

#### **HRD Planning for Nepal**

Nepal is a land locked country between china (North) and India (South, East and West) covering an area of 147,181 sq. Kms; 885 Kms.long East to West and on an average 183 kms. North to South. Two-thirds of the total area is occupied by hills and mountains; about 18 percent of land is arable; including settlement and roads. Its population as of the 1991 census is 18.46 million; and the population growth is 2.08 percent per annum. Nepal has three ecological regions: the mountains inhabited by 1.4 million people (08%), the hills with 8.4 million people (45%), and the plains with 8.6 million population (47%). The male and female population is 9.2 million each. About 10 percent of the population live in urban areas.

Though Nepal is predominantly an agricultural country, the contribution of agriculture to the GDP has gradually decreased to 56 percent. Agriculture accounts for about 75 percent of export and it absorbs 90 percent of the work force. Due to extreme climatic variations and uneven topography ranging from world's highest mountain, 8,848 meters, to near sea-level in the plains, only 18 percent of the county's total land area is under cultivation. The plains account for 57 percent of this cultivated area.

Ninety percent of the working population is involved in agriculture; only 10 percent is absorbed in other occupations. The 1991 census states that out

of total the 12.7 million population over 10 years of age 7.2 million, i.e. 65 percent, is economically active. This group is occupationally classified as follows:

Professional/Technical Workers	13,171
Administrative Workers	2,119
Clerical	7,913
Sales	21,599
Service Workers	33,972
Farm and Fisheries	575,823
Production/Labour Workers	31,671
Others	25,119
Occupation not stated	5,819

The above occupational classification, not segmented for planning purposes, is yet to be fully processed.

There are 5.9 million literate (35%) citizens in Nepal, of which 1.7 million have had no schooling, 2.3 million up to primary level, 1.25 million at secondary level 280 thousand with SLC, 120 thousand intermediate, 73 thousand graduates, 15 thousand postgraduates and equivalent qualification. Details of technical education are yet to be processed. However, National Planning Commission sources believe that over 500 Engineering and 200 medical doctors were unemployed or under-employed in 1990.

Nepal has recently released the plan document which outlines basic directions, thrusts and priorities of the 8th plan, 1992-97. This is the first plan of the democratic government after the political changes in 1990. The plan stipulates the following priorities for national development:

- Macro Economic Stabilisation
- Agriculture Intensification and Diversification
- Development of Rural Infrastructures
- Reduction in Population Growth
- Industry and Tourism
- Export Promotion and Diversification
- Energy Development
- Human Resource Development and Employment
- Public Administration Reform

It identifies agriculture, industry and tourism as areas of high comparative advantage for the nation. Also, comparative advantage exists in areas where low-cost hydro-power and other natural resources can be used in production

processes, e.g., energy intensive industries or irrigated agriculture. According to plan, the main approach to 8th plan will be based on infusion of improved technology and adoption of institutional innovations, and improvements in public administration through appropriate reforms which will make it equal to the tasks of the country's development challenge.

Human Resource Planning in Nepal is in a nascent stage; it is yet to fulfill the basic conditions for effective planning:

- Basic Data on Existing Profile of Human Resource.
- Interface Communication on HRP; there are no specialised HRP Units in sectoral ministries; even in National Planning Commission a small group of three-executives is responsible for this activity. And each Ministry makes forecasts on the basis of insights rather than hard core data.
- A multi-disciplinary approach is yet to evolve; the dialogue between Departmental Administrators, Personnel Executives and the Planning Commission is rarely held around HRP issues.
- Need for HRP as a continuing exercise is yet to be established. The five year plan omits human resource issues even where sectoral development strategies are well articulated.

In the light of the above, Human Resource Planning is an uphill task. It must, however, be stated that in the past, respective sectoral ministries have attempted to forecast manpower needs based on plan statements which give generic directions. It appears that there are guess estimates based on insights and experience. The question, e.g., how many of what types of personnel and what skills would the country need in the various sectors of the economy over next 5 to 10 years can hardly be answered in the absence of detailed skill-wise supply or demand statistics. Moreover, this has also to be linked to the needs, knowledge and skills required in different fields because of fast changing economic and technological environment in the country. HRP requires long-range and short-range analysis, sectoral analysis based on plan objectives and technology forecasts, and above all formulation of alternative strategies for human resource development.

Human Resource Planning (HRP) is a four stage process:

### **1. What is the Objective, How will HRP contribute to it?**

This requires scanning external environment, government policy, and societal expectations. Also one needs to analyse strategic objectives, expected technological changes and given financial boundaries. These would help establish human resource objectives, performance parameters, costs, compliance, employee behaviour, competence and **and commitment.**

**2. Where are we now?**

This requires assessment of current human resources available, SWOT analysis, existing personnel policies and functions, selection and recruitment, wages and perks, career progression and promotion; training, development and placement, and match between employee competence and jobs. In other words, assess how effectively the government is currently utilising its human resources in the light of anticipated future demands.

**3. How do we reach desired objective?**

Generate and evaluate human resource programmes and action, HR Profile required, gaps in existing resources, development of alternatives designed to improve Human Resources, retraining and development, or retirement; promotion versus lateral entry; placement policy, culture building or performance and productivity, communication and compliance; problem solving strategies etc.

**4. How did we do?**

Monitor and evaluate human resource performance, continuous review, on-line planning and updating. Establish a Human Resource Planning and Monitoring Unit which continuously assesses whether the actions initiated accomplished human resource objectives set earlier and monitor any new problems that may have surfaced.

**The Nepal Civil Service**

In the above context, the following pages present an approach to Human Resource Planning in Nepal, with particular reference to Nepal Civil Service, a sector which is receiving considerable attention from the democratic government.

Human Resource Planning in the Civil Service is a process by which the government could determine how the civil service should move from its current position to its desired position.

The answer to this question (the desired position) requires establishing human resource objectives that are consistent with the strategies and objectives of the democratic government and its administrative functioning. Human Resource Planning will help the government to make certain that human resource decisions are tailored to the stated objectives.

The approach paper to the 8th plan states:

*"... In spite of the huge investments made in the economy in the past 35 years, Nepal remains one of the poorest and least developed countries in the world ..."*

*“... A low savings rate, heavy dependence on external assistance, a low export base, a low level of industrialisation, vulnerability in agriculture production, high population growth etc. are constraints the country presently faces in its quest for sound and sustained development.”*

*“... The control oriented approach of the past ..... counter productive bureaucratic behaviour (has) tended to discourage private and community initiative. Slow decisions and delayed disbursement of funds have increased overhead costs, resulted in under-utilisation of the administrative capacity .....”*

*“.... In-efficient public enterprise ..... In-efficient investment portfolio have contributed high cost-economy”*

*Above all “in-efficient public administration .... has reduced the Government's institutional ability to implement development programmes effectively and efficiently. The civil service is large, under utilised and lacking in motivation. It is a major source of the fiscal problem. The archaic administrative and financial structures and over centralisation resulting in inadequate authority and flexibility at the field level are also problems .....”*

The above quotes from the 8th plan approach document succinctly highlight the need for a new planning strategy and, more particularly, the need for human resource planning in the civil service itself. In a democratic society, civil service is an important instrument for management of development; its competence, commitment, its orientation and attitude, its optimal and appropriate utilisation remain a major challenge for any Government, more so in Nepal.

### **Environment of Civil Service**

Nepal, with a subsistence economy where agriculture contributes to nearly 57 percent of GDP and population grows unabated between 2.07 to 2.66 percent (during last decade), is one of the least developed countries, with a per capita income of around US \$ 160. With the advent of democracy, the Government has realised that its important agenda is to free the economy from state control and to create conditions for the economy to perform. The 8th plan is geared towards these goals. However, the plan's success will depend on the management capabilities of the civil service for which appropriate human resource planning and development strategy must be vigorously pursued. Reorganisation of Government, and slimming and

making the civil service efficient, effective and committed are real challenges to the Government. An earlier survey had indicated that the civil service needs a human resource system where jobs are clearly described, authority delegated where action is, number of levels to be reduced, personnel rules -- career progression, training and development, transfer and placement, wages and benefits -- to be reviewed.

The 8th plan expects to reduce poverty, create jobs for jobless, and focus on rural development. This requires a profile of civil service which is responsive to the poor; a civil service which is district driven, not rooted in the national capital, as it is now. The pious hope of most civil servants today is to be based in Kathmandu.

With the advent of democracy, citizens' expectations are rising and restlessness and new-found freedom of expression, are throwing new challenges to the civil service. Likewise, a civil servant has to discover a new equation with political executives drawn from various segments of the Nepalese Society. The Nepal Civil Service has been drawn predominantly from the upper castes and the elites of the Kathmandu valley. Of late, employment in the civil service has become possible for others from the hills and the terai plains. The new composition will call for new mores and work ethic, where civil service will not only be expected to perform but maintain the freedom, sovereignty and integrity of the nation.

As Nepal is been a land-locked country, not surprisingly its civil service has long been insulated from external influences. However, with the development of a communication system within the country and outside, networking of air services to different parts of the world, opening of the country to tourists and trekkers, encouragement to foreign trade, etc., Nepal has joined the globalisation process. During recent decades, the country has also witnessed industrialisation in selected areas and wide use of computers in Government. In the coming years, with its liberalisation policy, Nepal will be expected to promote inflow of technology in the field of agricultural production, housing and health, environment and water resources management; this technology will demand new ways of functioning in the civil service. Already with the assistance of UN/DESD, the Government is building a computerised HURMIS which will provide updated information on every civil servant: personnel data, age, sex, marital status, religion, qualifications and accomplishments, date, place and post of original appointment and subsequent transfers ministries and departments, performance evaluation, and promotion; in-service training in Nepal and abroad, job classification and description, training needs identified, salary and benefits, retirement and pension entitlement. The HURMIS would be a valuable database for the Nepal Civil Service; the information generated will

help the matching of positions with persons; prepare promotion lists, vacancy reports, recruitment and replacement, equity monitoring etc. so essential for effective Human Resource Planning in the Civil Service. It would, however, require continuous flow and updating of information to make the system useful. While the Nepal Civil Service will benefit by this, there may also be resistance from those who would like to move ahead by cutting corners, through favours and subjective assessment. Use of new technology is likely to change the job environment of the Nepal Civil Service -- this should be welcome!

### **Human Resource Objectives**

The human resource objectives for the civil service are derived from several sources: changing environment strategic plans for national development, current employee work-behaviour, and the nature of work and performance expected. The 8th five year plan of Nepal clearly states administrative reform as a major instrument for development; the Prime Minister's policy statement in Parliament and the Public, in civil service institutions and management forum, underlines the need to:

1. upgrade the civil service for improved efficiency in public service.
2. motivate the performers and off-load those who are "marginal performers; streamline civil service personnel administration, and
3. enhance the managerial skills of the civil service through systematic training and development.

The 8th plan envisages a civil service which will:

1. be decentralised and accountable delegating decision making authority to implement policy to the relevant levels in public administration,
2. facilitate development initiatives at the community level; encourage NGOs to work in specific areas and sectors,
3. change its role of "excessive intervention and control" to a facilitative role through following actions:
  - a. streamline and simplify the administrative process so that private initiatives are not thwarted,
  - b. design and execute a clearly defined set of policies, and
  - c. eliminate red tape so that Government decisions are not delayed.

It has proposed-

- a. Restructuring of Public Service: number of government employees does not exceed the actual need of the work being performed;
- b. Develop performance oriented culture; to meet service delivery objectives: communicate national priorities and expectations from each of the civil service jobs; and

- c. Improve human resource management so that government employees are motivated to improve performance.

### Assessing Current Situation

The third step in the human resource planning process is to analyse the current personnel situation.

In the Nepal Civil Service, there are two categories of civil servants: permanent and temporary. While some statistical data are available on permanent staff, there is no centralised record of temporary employees. Every Ministry or Department maintains its own temporary roll. It has been estimated that nearly 30 per cent of civil servants in Nepal are temporary, project tied; some of them have been working with the government for over a quarter century. Any exercise without including this vast number will be deficient and incomplete.

As of July 1992, Nepal Civil Service has 100,632 permanent employees of which 10,727 are Gazetted executives; 62,909 Non-Gazetted supervisors and assistants, and 27,096 belonging to categories such as Peons, Sweepers, and non-skilled employees.

The following table summarises the existing strength Ministry-wise.

Ministries	Gazetted	Non-Gazetted	Others
Cabinet Secretariat	697	1290	411
Finance	657	3983	1460
Supply	27	32	10
Home	834	2855	790
Industry	382	984	283
Law, Justice and Parliamentary	400	2819	1217
Agriculture	1281	6401	1897
Housing and Physical Planning	337	2297	1777
Water Resources	798	2720	895
Works and Transport	693	2983	818
Local Development	262	4825	106
Foreign Affairs	100	164	98
Tourism	315	625	321
Land and Management	339	5459	1624
Defence	16	105	16
Forest and Environment	687	6146	2054
Commerce	54	111	37

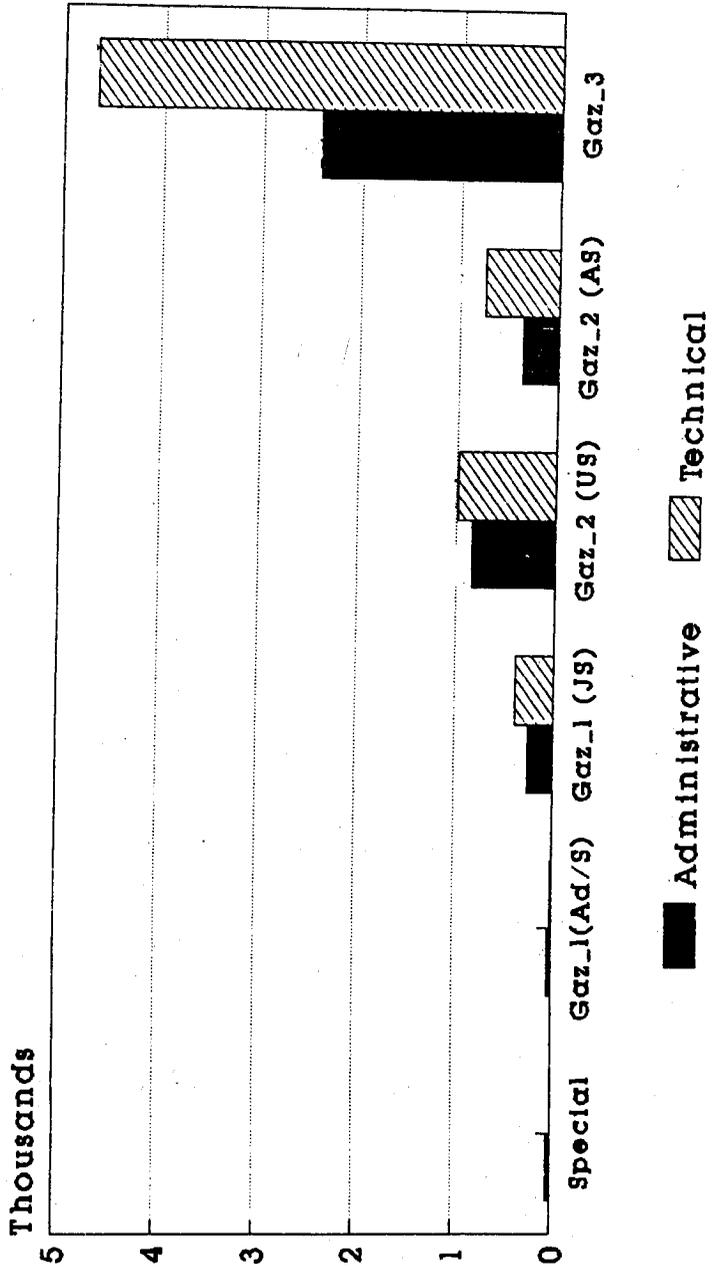
Labour	46	115	106
General Administration	69	176	37
Communication	276	3073	7622
Health	1360	12699	4029
Education and Culture	1097	2957	1488
<b>TOTAL</b>	<b>10727</b>	<b>62819</b>	<b>27096</b>

The Civil Servants are further classified into Generalist Services and Technical Services. The latter includes anyone with professional qualification in Engineering, Medical, Agriculture, Lecture, etc.; the details of which are to be collected from different Government, Departments and Ministries.

The following table presents the data, grade-wise. There are 6 grades among Gazetted officers, 4 among Non-Gazetted and 3 constitute other grades.

Level	Administration	Technical	Total
Selection Class	41	1	42
Gazetted Class I			
* Additional Secretary	31	11	42
* Joint Secretary	245	379	624
Gazetted Class II			
* Under Secretary	842	991	1833
* Assistant Secretary	364	745	1109
Gazetted Class III	2411	4666	7077
<b>Sub-Total</b>	<b>3934</b>	<b>6793</b>	<b>10727</b>
Non-Gazetted Class I	6707	11046	17753
Non-Gazetted Class II	13990	10745	24735
Non-Gazetted Class III	4870	6488	11358
Non-Gazetted Class IV	1417	3629	5046
Typist	2650	-	2650
Driver	-	1267	1267
Peon	27096	-	27096
<b>Sub-Total</b>	<b>56730</b>	<b>33175</b>	<b>89905</b>
<b>Grand Total</b>	<b>60664</b>	<b>39968</b>	<b>100632</b>

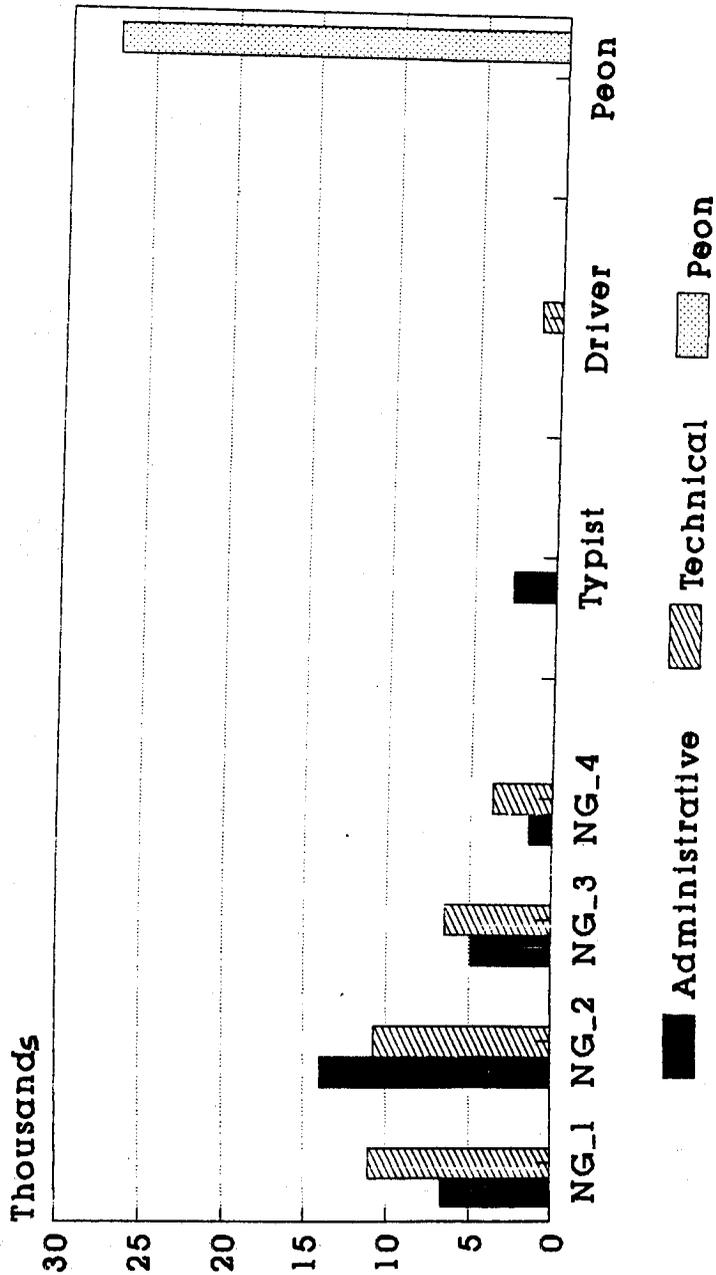
# Existing Permanent Positions of Civil Servants (By Grade Levels) 2047/48 B.S.



• GAZ - Gazetted

# Existing Permanent Positions of Civil Servants (By Grade Levels)

2047/48 B.S.



NG = Non-Gazetted

The Nepal Civil Service is divided into eleven occupational groups, four of which are non-technical and seven technical. This division is presently under review by the Administrative Reforms Commission, and it is likely that specialised services for Revenue, Accounts, Post and Foreign Service may be created in the near future.

The existing occupational groups include Administrative Service, Legislative Service, Audit Service, Judicial Service, Agriculture Service, Education Service, Engineering Service, Forest Service, Health Service, Statistical Service and Miscellaneous Service. Each of the above services include Gazetted and Non-Gazetted class. There are four levels in Gazetted class: Selection (Secretary), First Class (Additional and Joint Secretary), Second Class (Under Secretary and Assistant Secretary) and Third Class, which is the entry grade for graduates in the civil service. As no lateral entry is permitted in the Gazetted class, every graduate has to enter as Gazetted class III Officer.

In the Non-Gazetted class, University degree is not required for entry. It has 4 grades, viz., Non-Gazetted 1 to 4. Here lateral entry is permitted, depending upon the qualifications of the employee.

Although there is provision for promotion from Non-Gazetted to Gazetted class, only a few make it. Non-Gazetted technical personnel with prescribed qualification can move to Gazetted level.

There is a large number, nearly 30 per cent of civil servants, who belong to the other category of manual workers, messengers, sweepers, peons, etc.

### **Forecasting Manpower**

Although Nepal has had seven five-year plans; none of these have given any attention to manpower demands and supply in any sector of the economy or services.

The decennial census 1991 has statistics on the following occupational groups, such as, Administrative Workers, Clerical Workers, and Service Workers.

No further segmentation of professional/administrative workers is available for any meaningful analysis. Recently the Government has decided on a blanket formula to terminate temporary employees and reduce the rest by an agreed percentage. If manpower demand, in each sectoral field, based on development plans, was available, these exercises could be undertaken rationally and systematically. If HURMIS is extended to temporary employees as well, Nepal would have basic data for such analysis. (As of now, there is no centralised information on natural wastage or employees returning in the coming years. I was told that several cases of employees working beyond superannuation dates had recently surfaced.)

Currently, the **Human Resource Management** activity in Nepal is performed by three agencies of the Government:

**The Public Service Commission** is responsible for recruitment, and promotion; and as an appellate authority on disciplinary control, transfer and posting;

**The Ministry of General Administration (MGA)** facilitates formulation of civil service policy and is responsible for position management, manpower budgeting, job classification, remuneration and fringe benefits. It maintains statistics and Personnel Records and is developing a Human Resource Management Information System for the Nepal Civil Service. It is responsible for appointments, placement, promotion, transfer and disciplinary control of Administrative Service, Statistics Service and Miscellaneous Service. MGA is responsible for administrative reforms, extension of O&M Services to Ministries, and ensuring Training and Development of all civil servants; and

**The Ministry Concerned** is responsible for the appointment of employees such as Peons and messengers; and also of Non-Gazetted staff recommended by Public Service Commission. Each Ministry handles the promotions, disciplinary control and posting of Non-Gazetted and technical officers. Each Ministry makes project-tied and temporary appointments.

To ensure effective Human Resource Planning and Management, the above three agencies need to have either a continuous coordinating mechanism or there should be clarity of roles and functions, not only in theory but in practice.

### **Job Analysis**

There are nearly 1700 job titles in the Nepal Civil Service. A group of tasks performed by one person makes up a position; identical positions make a **job**; and broadly similar jobs combine into an occupation. There have been attempts to list jobs and make occupational groupings in the Nepal Civil Service but these are not in use.

To facilitate Human Resource Management and Planning it is necessary that job analysis should lead to **job descriptions and job specifications**. Several years ago job descriptions were prepared, but these are yet to be accepted and implemented. There has to be acceptance of minimum skills,

knowledge and abilities required to perform the job.

The above analysis and job description are necessary prerequisites for organisation structuring, systems and methods improvement and human resource planning -- particularly manpower planning, recruitment, selection, employee relations, compensation, performance evaluation, training and development.

Manpower planning identifies the future profiles of the employees, compares those needs with the present workforce and determines Quality and Quantity; the numbers and types to be recruited or terminated are based on the country's strategies and objectives. HRP is possible if one knows how many additional persons for a particular job, with stipulated qualifications, are required. Information on vacancies, wastage and retirement, occupation and level-wise is necessary for effective planning. Unfortunately, this is not available for the Nepal Civil Service.

Recruitment is effectively done if one knows of what level with what qualification and in what number additional hands are required. If lateral entry is not possible from outside or inside, the question of recruitment has to be addressed. In the Nepal civil Service the ratio between those promoted and those recruited is 1:3.

An effective system of performance evaluation not only helps in identifying those who need reward, punishment, opportunity for training and development but also for promotion to higher levels.

Human Resource Planning also requires information on compensation, comparative data from similar economies and institutions, and from employers in other sectors of the country. If the civil service is an important instrument for national development, it must receive an appropriate compensation package. Researches have shown that inadequate compensation is a source of demotivation although the reverse may not be true.

### **Motivation of Civil Service**

Motivation of the civil Service is often a result of factors not under direct control of the Government; e.g., perception of equity, recognition by colleagues, or the reward given by the supervisor. The superior is the most important source of motivation. He guides, mentors and helps to meet performance standards and ensures that the job assigned is within the employees capability and control. In civil service, hierarchy is sacrosanct, the superior provides modelling behaviour; if superiors are not setting up examples, the subordinates would seldom excel them. A study undertaken by the Nepal Administrative Staff College (NASC) has identified morale and motivation as key areas for civil service reform. The traditional approach, that superiors can have liberties, come and go as they please, above the norms

which subordinates must follow, does not work in a democratic society. The subordinates will contravene norms and have low morale if they are asked to follow a feudal mode in modern bureaucracy.

### **Personnel Issues**

Another study undertaken by UN/DESD project has highlighted the following issues in personnel administration system in the Nepal Civil Service. (Nti, 1991)

1. Apparent decentralisation, but in reality centralisation of major personnel decisions, such as appointment, promotion, disciplinary control (p. 38) with the Public Service Commission.
2. Ministry of General Administration responsible for personnel functions such as size of civil service, classification of jobs, staff development determining salary and benefits, posting of administrative services personnel, but in reality MGA is marginalised. (p. 40)
3. Civil servants believe that MGA is the hub of personnel function -- this is not so.
4. The Civil service is seen as competent but non performing, corruptible because of low wages and over-manned, guzzling nearly 70 per cent of budgeted revenue.
5. Performance Appraisal and Promotion System lack objectivity and cause low morale.
6. Training and placement, and qualifications and posting have no relation, leading to waste development efforts.

The above delineates the existing human resource situation in the Nepal Civil Service.

### **Human Resource Programming: an Approach**

The current issues confronting the Nepal Civil Service, identified in the last section, are in no sense unique. Both developing and developed countries face common problems: need for better efficiency and effectiveness, need to refine job analysis, job classification and performance evaluation systems; need to improve personnel administration -- move from centralised to decentralised operations; a shortage of high quality, competent and committed managerial and technical personnel; need for continuous training and retraining for professional development, etc. The only issue unique to the Nepal Civil Service is the shared perception that it is over-manned; and over-manning is the cause of low human resource utilisation. In the absence of hard core data for manpower analysis, this remains a perception although it is a fact that a large chunk of state revenue (nearly 70%) goes for payment of civil service wages.

Although in civil service human resource planning problems are common to many countries, developing and developed (AMDISA, 1991) the solutions are not common. Solutions have to be contextual and country specific. There has to be, however, a shared assumption that human resources are assets; to create, to deploy efficiently and effectively and to manage for results is an entrepreneurial and managerial task. In managerial parlance, one does not blame assets for their under-utilisation and low performance; it is the management which has to examine its policy, plans and strategic options.

Human Resource Planning calls for strategic analysis: Quantitative and Qualitative. I would only briefly touch the Quantitative part and focus my attention to Qualitative analysis.

### **Human Resource need Analysis and Forecast**

It is difficult, if not impossible, to undertake quantitative analysis of civil service manpower in Nepal. Although MGA is the Central Personnel Agency and National Planning Commission sets plan priorities on which manpower demand and supply are matched, country lacks a centralised civil service human resource information system. In its absence, it can only be a hypothesis, based on observation of work-behaviour in the Nepal Civil Service, that it is over-manned. Even if data validation proves this to be true, it would be safe to assume that over-manning would not be uniform in all the sectors of the civil service. The Law of Average does not work in development administration; if agriculture or health is a priority, it will require a different manpower strength than industry or forest; likewise, a non-priority sector would have to make do with a smaller civil service. If liberalisation and reduction of control is the stated national policy, there is need to reduce the large manpower in Departments which deal with control functions. Besides building a human resource database for quantitative analysis, there is a need for a human resource audit in all the sectors to determine the optimal size of the civil service. Perhaps one can begin with a zero-base exercise in all the Ministries, Departments and District Administration. It may be worthwhile to have a human resource management audit done by those competent professionals who do not belong to the civil service or do not work for a particular Department or Ministries. This may ensure objectivity. Under the present UN/DESD Project, the MGA has already carried out a management audit; this did not question, however, why a particular activity came under MGA, but only how it could be streamlined (Sanders, 1992). An O & M specialist, statistician or planning expert could foot the bill for such an exercise. Forecasting human resource demands in various sectors, based on plan projections, is a different exercise, best undertaken by the National Planning Commission.

### **Action Areas**

Recent studies in the public and private sectors have established that the human resource must be treated as an asset rather than a cost. This has wide ranging implications for human resource planning, development and management in civil service organisations.

Firstly, it would mean that existing manpower must be assessed to determine current needs and future demands. The priority has to be on better utilisation of the existing civil service than a cutback exercise -- which is naturally tempting in an adverse economic situation or when the performance of existing civil service is unsatisfactory. I would argue that enhancing the capabilities of existing civil service is more essential for development administration than reducing it without systematic analysis of existing sectoral manpower and individual performance of civil servants. Uniform reduction across ministries and departments is likely to create mismatch in the foreseeable future. It is therefore important to plan qualitative improvement in human resources:

how adaptability, innovation and performance can be progressively improved through HRD Programme to cope with the pace of socio-political economic and technological change as also to meet individual development needs of civil servants.

The following paragraphs attempt to deal with the above issues in the context of the Nepal Civil Service.

### **Policy Clarity**

The basic policy on human resource planning should emerge from the philosophy that human resources in the civil service are assets not costs. They should add value and not be treated as creating a liability to be disposed of. It is also necessary to recognise that human beings are psychological assets, whose productivity increases or declines depending on whether they are motivated or demoralised by their work environment (Pradhan, 1990). If the Government accepts the above assumptions regarding the strategic importance of the human resource planning and management, much greater priority will be placed on HRD, i.e., improvement of the work environment, work organisation, the job and the individual.

### **Training and Development**

While in traditional bureaucracy an individual is a cog in the wheel - he does not have his own identity except that of the job and the Government - in HRD planning, an individual is dynamic. His competence contributes to

organisational strength, his technical and managerial skills and positive attitude help organisations move towards the desired direction. Education prepares him for a job; training enables him to improve his job performance; and development contributes to his professional growth. HRD must be rooted in thorough Training Needs Analysis (TNA). While annual performance appraisal, properly done, identifies individual training needs, TNA may identify job related needs. A massive TNA survey of over 1,500 Chiefs of District Offices in Nepal has been recently completed by the author under UN/DESD Project. Its findings, which will help design appropriate training programme for District Chiefs, should hopefully make training relevant and useful for improving their performance on the job.

Human Resource Planning calls for systematic training need analysis at the individual, job, and organisation levels; this will in turn facilitate comprehensive HRD Programmes for resource development. Training in Nepal, not unlike in other developing countries, is being done for training-sake. This must give way to a need based, well designed, participant-oriented, organisation driven, human resource development programme.

### **Role and Responsibility of Operating Departments**

In asset building activity, HRD should not be viewed as peripheral to departmental goal. As the Workshop for Heads of Civil Service Training Institutions in Nepal which was held in February, 1992, recommended, the responsibility for HRD must squarely rest with the line managers, the departmental heads. Unless this is done, the human resource will not be seen as asset and training will not be viewed as an investment in departmental capability building. There is a need to place a right value onto the asset building HRD exercise.

### **Human Resource Information System**

HRD planning is much wider than just a training and development programme. Human Resource capability building requires an effective human resource system; its most important element is the Human Resource Management Information System (HURMIS). In the yesteryears, record keeping (*Kitabhkhana*) was an important function; today, with technological advances, record keepers make updated information available at the finger tip, which is essential for operational and strategic decision making. Without HURMIS, it is almost impossible to know the kinds of manpower available, needs, and our training, development or recruitment needs. Luckily, sophisticated computer-based systems have been developed which can process a vast quantity of human resource and personnel data for operational decision and performance improvement.

### **Coordination among HRM Agencies**

In Nepal, as stated earlier, there are three agencies which deal with human resource planning and management -- PSC, MGA and the concerned Ministry. A strategic approach would necessarily focus responsibility for human resource management in Government. Firstly, there should be inter-agency role clarity - what one should do which other agencies should not - and a degree of coordination which presently does not exist. Human Resource Management which is fragmented in the three different agencies may be unified by creating a central agency, in the Prime Minister's Office, where major policies are formulated, systematic programmes are planned and their implementation monitored.

### **Administrative Reforms Commission**

In HRP, although quality of the human resource is important, the job profile, job challenge and job matching are also critical; the management systems and organisation capability building are also essential. The Administrative Reform Commission has already looked at the following:

Recruitment, Selection System,  
Training and Development System,  
Performance Appraisal System, and  
Promotion System.

Hopefully these will contribute to effective Human Resource Planning. effective linkage between training and placement is important. Ensuring Career Planning is possible only if there are Specialised Cadres in the civil service. In this age of fast changing knowledge and specialisation, the Nepal Civil Service needs to build specialist cadres.

While there may be some merit in rotating jobs for building an all round perspective in the beginning or towards the end of a civil service career, there is a global recognition that in the fast changing world civil servants also need to specialise.

### **Organisation Development**

Cross-cultural comparisons of civil service have long suggested the systemic relationship between civil service and the society in which it is embedded. Civil Service mirrors the values and ideologies of the society. America's pluralistic model of political democracy stands in stark contrast to Japan's cooperative, cooptive model of joint business, labour and government planning; and also to Sweden's participative ownership and administration. Nepal, like most developing nations, is caught between traditionalism and

modernity and is still searching for a model which mirrors some of the values it has prized in the past and others which will enable it to join the modern world. The ability to design a new culture for the Nepal Civil Service is surely constrained by its societal context. The democratic government has already articulated some of the values it would like the civil service to imbibe. These include:

*People centred, performance driven, efficient and effective in delivering administrative services to the society.*

During the recent decade, there have been several experiments to create a new culture in the civil service (Sinha, 1988), and many attempts to build corporate cultures with the help of process based OD intervention. Where these have succeeded, they have largely depended on the charismatic leadership in the Government or corporate organisation. Cultural change begins from the top; planned cultural change calls for long range intervention that is systematically designed, using behavioural science technologies. In Nepal, the Administrative Reforms Commission has agreed to initiate this process by designing a one week retreat for Political Executives, Ministers and the Public Administrators, and the top civil servants of the country. Perhaps, this will pave the way for planned cultural change in Nepal Civil Service. The Prime Minister has himself stated some of the goals and values of the civil service. For effective human resource planning, it is imperative that the civil service focuses on building its new organisational culture. A culture is one of the major determinants of human behaviour, cultural change will bring change in the civil service work behaviour. There is a need for strategic thinking on this; perhaps the proposed retreat or a Workshop would help in this direction.

Strategic options inevitably lead to structural redesign - for example the location of the human resource planning responsibilities, what to centralise and what to decentralise: Decentralisation refers to a management strategy of giving separate Ministries or Departmental Units the responsibility to design and implement their own human resource system. This contrasts with a centralised strategy that locates all Human Resource Planning and Management responsibility in a single agency. As stated earlier, although Nepal lacks a central human resource management/personnel agency and three different agencies are responsible for various tasks, in practice the major personnel decisions are centralised. In the light of the HR issues identified earlier, it may be worthwhile to centralise HR policy formulation, monitoring and control, and decentralise other aspects of human resource management to operating line Departments. Pushing these responsibilities

close to the departments and the civil servants affected by them may help ensure that decisions are related to the Department/Ministry's objectives. This would also make the departments accountable for the performance, training and development of their employees.

A civil service, located nationwide, though operating under Departmental umbrellas, can hardly afford different human resource management systems. This is likely to cause dissonance. The answer to these and related problems of decentralisation can be found in developing a set of civil service - wide principles or guidelines that must be upheld by all. However, a decentralised unit could permit different norms if these could be shown to be:

Job related,  
Sector related,  
Acceptable to all,  
Cost effective, and  
Able to withstand legal challenge.

The human resource system is one of many management systems used in the Government. Therefore, it must be congruent with these other systems. Decentralisation of the human resource system without decentralisation in other aspects of Government may even work at cross-purposes. Structural change, consequently, has to be across all sectors of the Government. In Nepal, fortunately, this is being explored.

### **Monitoring and Evaluation**

Monitoring and evaluating the impact of human resource plan implementation is an important phase of the HRD process. Some of the questions which need to be addressed by evaluation are:

1. What is the perceived value of human resource planning and other related activities among various constituents of the civil service?
2. What is the extent to which human resource forecasts, plans, and actions are being followed by different Ministries/Departments or agencies of the Government?
3. How much are the HRD activities in tune with civil service problems and opportunities? Are the priorities sound?
4. What is the quality of relationship within an agency and across agencies with which it interfaces?
5. How is the civil service culture responding to changed strategies and structure; what is the quality of communication within the civil service?

### **Concluding Observations and Summary**

The above paper on Human Resource Planning in Nepal is based on the assumption that human resources are assets, and that these have to be dealt with as such. HRP is considered as a strategy for building, acquiring, utilising, improving and retaining a nation's human capabilities. It requires a multi-disciplinary approach; and it has both quantitative, statistical and qualitative, and behavioural dimensions. In order to formulate HRP for a nation, sector, organisation or department, one has to build:

Data/Information Base,  
System of Interface Communication among Policy Makers,  
Planners and Operating Units,  
Multi-disciplinary Team,  
Continuous Exercise, and  
Linkage with National Development Plan.

The biggest constraint on HRP in Nepal is the absence of data/information base. Unless this receives due attention, any Human Resource Planning Exercise will be of limited value. With the help of UN/DESD, steps to build Human Resource Information in the Civil Service sector has been initiated by the Ministry of General Administration, but this has to be done for all sectors of the economy and society. Also, the National Planning commission needs to translate its priorities and objectives of the 8th plan into estimated manpower projections in different sectors.

This paper, therefore, has a limited objective. It suggests an approach to Human Resource Planning and addresses itself to HRP in the Nepal Civil Service. The 8th Plan approach paper states that civil service reform is an important priority for the plan implementation. It then examines the changing environment of the Nepal Civil Service - both national and global and evolves human resource planning objectives for the civil service. A assessment of the existing human resources in the civil service is made, based, however, on inadequate and incomplete data. As far as temporary, project-tied civil servants are concerned, no relevant data is available. Detailed data on occupational groups is also non-existent. Although no quantitative attempt has been made on civil service manpower projections, the Government's decision to reduce civil service manpower is examined.

Qualitatively, the report focuses on: the need to review management structure of the civil service; systems of Job Analysis, Job Description and Job Specifications; Recruitment Selection, Training, Performance Appraisal and Promotion systems; comparative compensation data from similar economies; motivation and other personnel issue which impede the Nepal

Civil Service. And, finally it suggests an approach to HRP:

Human Resource Data-Base,  
Human Resource Need Analysis and Forecast,  
Action Areas: Policy Clarity,  
Training and Development: Individual, Job and Department,  
Role and Responsibility of Operating Departments,  
Human Resource Information System,  
Coordination among HRD Agencies,  
ARC Recommendations,  
Organisation Development -  
    Culture Building-Retreat  
    Decentralisation and Centralisation  
and,  
Monitoring and Evaluation of HRP.

The issues in HRP in the Nepal Civil Service are not unique. Most developing as well as developed countries experience similar issues and challenges. While the issues are similar, their solutions have to be different, rooted in the national plan, policy, strategy, structure, culture and environment of the civil service. Nepal needs to build a human resource database and system for its continuous updating before any meaningful HRP exercise is undertaken. This report generates action areas for consideration for HRP in the Nepal Civil Service.

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