



ANNUAL REPORT

(April 2014 to June 2015)

STATE OF THE ROYAL CIVIL SERVICE

Royal Civil Service Commission
ROYAL GOVERNMENT OF BHUTAN

Excellence in Service

Table of Contents

List of Abbreviation and Acronyms	vi
Introduction	1
i. Scope of the Report	3
ii. Appointment and Membership of the Royal Civil Service Commission	3
iii. Commission Meetings	4
iv. Representation of Commission Members in Boards/Committees	5
iv. Budget Report 2014-15	5
Part 1: Civil Service Statistics – Key Highlights	7
1.1 Civil Service Staffing Trend	8
1.2 Age profile of Civil Service	9
1.3 Gender Profile of Civil Service	9
1.4 Age and Gender profile of Executives/Specialists	10
1.5 Length of Service	10
1.6 Civil Service by Location	11
1.7 Civil Service by Major Occupational Group	12
1.8 Civil Service by Education Qualification	12
1.9 Recruitment and Separation.....	13
1.10 Extraordinary Leave	13
Part 2: Civil Service Reforms – “Good to Great”	15
2.1. Organisational Development Exercise.....	15
2.2. Bhutan Civil Service System.....	18
2.3. Succession Planning and Leadership Development.....	21
2.4. Performance Management System.....	25
2.5. Civil Service Well-Being.....	26
2.6. Other Initiatives.....	28
Part 3: Human Resource Management and Development	32
3.1. Human Resource Management.....	32
3.2. Human Resource Development.....	36
3.3. Bhutan Civil Service Examination.....	37
3.4. Civil Service Information System.....	38
3.5. Human Resource Auditing.....	39
3.6. Royal Civil Service Awards.....	40
3.7. Key Findings and Issues in Human Resource Management and Human Resource Development.....	42
Part 4: Administrative Actions	46
4.1. Appeal of Administrative Disciplinary Actions.....	47
Part 5: Networking and Linkages	49
Part 6: Key Issues and Challenges	51
6.1. Keeping the Civil Service Apolitical.....	51
6.2. Maintaining “Small, Compact and Efficient” Civil Service.....	51
6.3. Corruption in the Civil Service.....	52
6.4. Independence Issue of Constitutional Bodies.....	52
6.5. Civil Service Pay Structure.....	53
Annexure	55
Annexure I.....	55
Annexure II.....	64



“Keeping in mind that, in a small country like Bhutan, it is the bureaucracy’s example that will be followed, strengthening the civil service would be the first step to creating a strong foundation for a successful democracy. The civil service must strive for the highest standards, live by higher ideals and nurture a sense of duty towards fellow Bhutanese.

Therefore, the Royal Civil Service Commission should focus on bringing about required reforms of the civil service, in time for it to facilitate and support the emergence of democracy, meet the challenges of building a dynamic economy and to fulfill its role in achieving the goals of Gross National Happiness.”



།མི་དབང་འབྲུག་རྒྱལ་བཞི་པ་མཚོག་གི་འཕྲུངས་སྐར་འདི་ལ་སློན་འདེབས་།

འཇོམ་གླིང་སྲུང་པ་སེལ་བའི་འོད་ཟེར་ཆེན།།
འབྲུག་མི་བསོད་ནམས་ཅན་གྱི་འོད་ཟེར་པམ།།
མཁའ་བཟེ་རུས་གསུམ་ལྟན་པའི་མཉམ་མེད་མགོན།།
མི་དབང་འབྲུག་རྒྱལ་བཞི་པའི་ཞབས་ལ་འདུད།།

དགུང་ལོ་བྱུག་མུ་བཞེས་པའི་དུས་སྟོན་འདིར།།
གཞུང་དང་མི་སེར་སློབ་གཅིག་མཉམ་གཅིག་གིས།།
སྐྱ་ཚེ་རྒྱ་ལས་འིང་ཞིང་བྲག་བཞིན་བརྟན།།
རྒྱལ་ཁབ་སྲུང་ལས་དར་ཞིང་རྒྱས་པའི་སློན།།

འབྲུག་ཡུལ་མཐའ་དབུས་མེད་པའི་ཞི་གཡོག་དང་།།
ལྷག་པར་རྒྱལ་གཞུང་ཞི་གཡོག་ལྷན་ཚོགས་ལས།།
འཕྲུངས་སྐར་དུས་ཆེན་བཞུགས་བདེ་ལེགས་དང་།།
ཕྱག་སྦྱིད་གང་དག་ཞུ་ནིའི་ལས་སྲུངས་སུལ།།



List of Abbreviation and Acronyms:

ACC	Anti-Corruption Commission
APA	Annual Performance Agreement
AWPs	Annual Work Plans
BCAA	Bhutan Civil Aviation Authority
BCSE	Bhutan Civil Service Examination
BCSR	Bhutan Civil Service Rules and Regulations
BCSS	Bhutan Civil Service System
BEST	Bhutan Executive Services Training
CE	Continuing Education
CoS	Committee of Secretaries
CSAB	Civil Service Act of Bhutan, 2010
CSIS	Civil Service Information System
CSSD	Civil Service Support Desk
CSW	Civil Service Well-being
CVs	Curriculum Vitae
DCRD	Department of Curriculum Research and Development
DDC	Dzongkha Development Commission
ECB	Election Commission of Bhutan
EOL	Extraordinary Leave
ESP	Elementary Service Personnel
GDP	Gross Domestic Product
GNH	Gross National Happiness
Gol	Government of India
GPMS	Government Performance Management System
GSP	General Service Personnel
HR	Human Resource
HRD	Human Resource Development
HRM	Human Resource Management
IWPs	Individual Work Plans
JDWNRH	Jigme Dorji Wangchuck National Referral Hospital
MoAF	Ministry of Agriculture and Forests
MoEA	Ministry of Economic Affairs

MoE	Ministry of Education
MoF	Ministry of Finance
MoFA	Ministry of Foreign Affairs
MOG	Major Occupational Group
MoH	Ministry of Health
MoIC	Ministry of Information and Communications
MoLHR	Ministry of Labour and Human Resources
MoU	Memorandum of Understanding
MoWHS	Ministry of Works and Human Settlement
NCWC	National Commission for Women and Children
NPPF	National Pension and Provident Fund
NKRAs	National Key Result Areas
NLCS	National Land Commission Secretariat
OAG	Office of the Attorney General
OD	Organisational Development
OSA	Officer on Special Assignment
PCS	Position Classification System
PE	Performance Evaluation
PMS	Performance Management System
RAA	Royal Audit Authority
RCSC	Royal Civil Service Commission
REC	Royal Education Council
RGoB	Royal Government of Bhutan
RIGSS	Royal Institute for Governance and Strategic Studies
RIM	Royal Institute of Management
RIL	Royal Institute of Law
SAARC	South Asian Association for Regional Cooperation
SHRD	Sustainable Human Resource Development
SKRAs	Sectoral Key Result Areas
SPLD	Succession Planning and Leadership Development
TICA	Thai International Development Cooperation Agency
ToR	Terms of Reference

Introduction

The Royal Civil Service Commission has always played a critical role as the central personnel agency of the Government since its establishment in 1982. Further, having been accorded the status of a constitutional body under The Constitution of the Kingdom of Bhutan, it continues to discharge its constitutional role as an independent and apolitical institution.

With the completion of the tenure of the first Commission, His Majesty the Druk Gyalpo appointed the Chairperson and Members of Commission of the present Commission through a Royal Kasho issued on 31st March, 2014 and granted them an audience in the Tashichhodzong on 21st May, 2014.

The Chairperson and Members of the Commission feel most humbled and honoured by the trust and confidence His Majesty the Druk Gyalpo has bestowed upon them, individually and collectively. The Commission takes this opportunity to reiterate their pledge to serve the Tsa-Wa-Sum with the highest levels of loyalty, professionalism and dedication.

After receiving a Royal Audience and inspirational wisdom from His Majesty the Druk Gyalpo, the Commission began its maiden tasks of meeting civil servants across the country to see and understand their situation first hand and listen to their suggestions and concerns. The Commission also assessed the internal and external environment of the Civil Service taking into account its strengths, challenges and opportunities. The biggest strength of the Civil Service lies in its apolitical values, professionalism, and continuity. However, it also faces the challenge of guarding such fundamental values amidst the political changes in addition to the constant pressure to be ever more efficient and effective in terms of service delivery and productivity.

The Commission reflected on the Royal Address made by His Majesty the Druk Gyalpo during the 106th National Day celebrations at Changlingmithang where, amongst others, His Majesty shared concerns about the continuing challenges and the inability of the Government to adequately address them. At the same time, His Majesty also highlighted the capabilities in the Civil Service to overcome these obstacles and stated, further, that it was a matter of “whether we would be willing to do what was necessary or not”. The Commission recalled that His Majesty has often stated that the Civil Service is the backbone of the country and that development outcomes for the country would be a mirror reflection of the performance of the Civil Service. The Civil Service is the pillar of good governance and it has been instrumental to Bhutan’s development success over the past five decades. However, for Bhutan to move to the next level of development, from securing minimum standards of living to a flourishing state of GNH, the Civil Service must first move from one that is good to one that is great, like the Civil Service of countries such as Denmark, Singapore, and New Zealand, and other similiar countries. This is possible but it requires certain reforms to enable the Civil Service to unleash its full potential.

In order to take advantage of our strengths and opportunities and minimise the challenges, periodic review of our organisations, development of appropriate systems to reinforce critical

values, ensuring reliability in public service delivery, rationalisation and optimisation of human resources and ensuring sound organisational leadership are seen as critical. The key sets of reforms initiated and highlighted in this report include: (i) Organisational Development Exercise, (ii) Bhutan Civil Service System, (iii) Performance Management System, (iv) Succession Planning and Leadership Development, and (v) Civil Service Well-being.

The size of the public sector is increasing given the growing demand for public goods and services. This is reflected both in the ratio of the size of the total workforce employed to the population at large as well as the percentage of public spending to GDP (Table 3 & 4 below). Consequently, it has become a challenge to maintain a small, compact and efficient Civil Service. Finding ways to enhance productivity of the Civil Service and do more with less has become critical. Towards this end, the Civil Service is working on a number of interventions including rationalising recruitment and selection, enhancement of managerial know-how, going digital-by-default, developing sound PMS, instituting rewards and incentives, and continuing to explore public-private partnerships and outsourcing of non-core services. At the same time, there is a need to ensure that civil servants are also paid appropriately. To monitor these developments and draw attention to these key metrics of productivity and performance, the Annual Report will include developments vis-a-vis nine indicators (Table 3 & 4 below) as a regular feature so that developments in the bureaucracy can be gauged properly.

The pillar of good governance rests upon the ability of the Civil Service to serve and work in harmony with a number of players in the society to serve the Tsa-Wa-Sum in the most efficient and effective way, from politicians to the private sector, civil society organisations and private individuals. This is not an easy task as civil servants will be squeezed between a citizenry that is becoming more vocal with higher expectations and politicians who aim to please. Yet the Civil Service has to ensure that it provides the anchor for good governance in the sea of change. It has to ensure that while being responsive to change, it does not compromise its core basic Civil Service values, and in the present context of political changes in the country, that it remains and is seen to remain, in the eyes of the public, apolitical and thereby not lose its legitimacy as the institution that will always protect and promote the national interest. In this respect, as a Royal Civil Service, and like all other institutions in the country, the Civil Service of Bhutan looks up to the institution of monarchy for the inspiration and guidance necessary to negotiate the challenges that lie before the country.

As the works of the Commission have a direct bearing on the ability of the Government to deliver, and its primary objective is to improve things so that the full potential of the Civil Service can be unleashed, the Commission has been working closely with the Government, providing periodic updates and undertaking necessary consultations. The Commission remains grateful for the support that it continues to receive from the Government and is confident that by working together, the national objectives of sovereignty, security and self-reliance, successful implementation of the 11th Five Year Plan and provision of citizen-centric high quality services can all be secured, now and into the future.

This Annual Report is prepared and submitted as per Article 26 Section 9 of The Constitution of the Kingdom of Bhutan and as specified under Section 19 of the CSAB 2010 which state that the Commission is required to submit an Annual Report on its policies and performance to the Druk Gyalpo and to the Prime Minister. In view of this, the Commission is honoured to submit its Annual Report for the period 2014-2015 to the Druk Gyalpo and the Prime Minister.

i. Scope of the Report

This Annual Report covers a period of fourteen months from April 2014 to June 2015 and is made up of six parts as follows:

Introduction

Part 1: Key Civil Service Statistics - Key Highlights

Part 2: Civil Service Reforms

Part 3: Human Resource Management and Development

Part 4: Administrative Actions

Part 5: Networking and Linkages

Part 6: Key Issues and Challenges

ii. Appointment of Members of the Royal Civil Service Commission

Article 26, Section 2 of The Constitution of the Kingdom of Bhutan states:

“The Commission shall consist of a chairperson and four other members appointed by the Druk Gyalpo from amongst eminent persons having such qualifications and experience as would enhance the performance of the Commission, from a list of names recommended jointly by the Prime Minister, the Chief Justice of Bhutan, the Speaker, the Chairperson of the National Council and Leader of the Opposition Party.”

His Majesty the Druk Gyalpo appointed the present Commission through a Royal Kasho issued on 31st March, 2014. His Majesty the Druk Gyalpo then granted an audience to the newly appointed Chairperson and the Members of the Commission at Tashichhodzong on 21st May, 2014. Following this, the Commission took up the new post after taking the Oath of Affirmation which is in accordance with the Third Schedule of The Constitution of the Kingdom of Bhutan.



The Commission consists of the following five members:

1. Karma Tshiteem, Chairperson;
2. Lhendup Wangchu, Member of the Commission;
3. Indraman Chhetri, Member of the Commission;
4. Karma Hamu Dorjee, Member of the Commission; and
5. Kesang Deki, Member of the Commission.

The Chairperson and Members of the Commission occupied the following positions before appointment to the RCSC:

1. Karma Tshiteem, Secretary, GNHC;
2. Lhendup Wangchu, Dzongdag, Wanduephodrang Dzongkhag;
3. Indraman Chhetri, Assistant Professor, RIM;
4. Karma Hamu Dorjee, Director, Department of Medical Services and Health Infrastructure, MoH; and
5. Kesang Deki, Collector, Department of Revenue and Customs, MoF.

The first Commission members of the RCSC were relieved from Office with effect from 4th April, 2014. The following were the members of the Commission:

1. Lyonpo Thinley Gyamtsho, Chairperson;
2. Pritiman Pradhan, Member of the Commission;
3. Sangay Dorji, Member of the Commission;
4. Kinley Yangzom, Member of the Commission; and
5. Bachu Phub Dorji, Member of the Commission.

On 17th December, 2014, Lyonpo Thinley Gyamtsho, the former Chairperson of the RCSC, received the Druk Thuksey Medal, the highest civilian award for his 38 years of outstanding and dedicated service to the nation.

We would like to acknowledge the strong foundations laid by the first Commission for an independent, apolitical and professional Civil Service, especially in the face of sweeping political changes, and know that the main task before the present Commission, of maintaining such a Civil Service, has become that much easier as a result.

iii. Commission Meetings

The first Commission meeting was held on 21st May, 2014, coinciding with the receiving of Royal Audience by the Commission. Commission meetings are held every Tuesday and also as and when required. A total of 33 Commission meetings were held as on 30th June, 2015.

iv. Representation of Commission members in Boards/Committees

Sl. No.	Commission member	Boards/Committees
1	Karma Tshiteem	Vice Chairperson, RIGSS Member, Royal Academy Project Member, Kidu Foundation Board Director, NPPF
2	Lhendup wangchu	Chairperson, Award Implementation Committee Member, DDC
3	Indraman Chhetri	Board Member, RIM Member, Tertiary Education Board
4	Karma Hamu Dorjee	Chairperson, Nehru-Wangchuck Scholarship Award Committee Member, MoLHR for HRD Road Map Member, Chiphen Rigphel Member, RIL Member, De-Suong Executive Council
5	Kesang Deki	SAARC Nodal Officer Member, Bhutan Accreditation Council

v. Budget Report 2014-15

During the fiscal year 2014-2015 a total budget of Nu. 219.236 million was approved against which Nu. 175.809 million was utilised. The overall percentage of budget utilisation is 80%. The details are shown in the following tables. The activities on: i) Cost Sharing HRD; and ii) Sustainable HRD, are two major activities in which budget has been under utilised. This is mainly because: i) Budget utilisation of Cost Sharing HRD depended on the scholarships offered by TICA and other scholarship offers (such as STCP); and ii) SHRD budget is allocated for the ongoing Ph.D programmes and will be fully utilised when the programmes are completed.

Table 1: Budget Overview- RCSC (2014-2015)

	Current	Capital	Total
Budget	57.292	161.944	219.236
Expenditure	57.283	118.526	175.809

Table 2: Major capital activities (2014-2015)

Sl. No.	Activity	Budget	Expenditure
1	GOI Trainings	46.53	42.395
2	Cost sharing HRD	31.374	11.955
3	OD Exercise & PCS Reform	29.000	28.531
4	Sustainable HRD	20.000	6.675
5	Nehru-Wangchuck Trainings	15.695	15.381
6	Institutionalisation of PMS and Leadership Development Program	13.875	8.142
7	Civil Service Award	2.880	2.859
8	Workshop on CSIS for HR Officer	1.795	1.795
9	Improvement of web Services	0.695	0.695
10	Dzongkha Development Service	0.100	0.099
Total		161.944	118.526

* Nu. in million

The GoI support accounted for 38% of the total budget outlay and 49% of the total capital budget delivery.

As support to the RCSC's reform program, the Austrian Development Agency provided a grant of Nu. 28 million on 11th November 2014 to institutionalise the new PMS and towards the leadership Development programme. The support is used for various activities, including nation-wide consultations with civil servants, towards enhancing PMS, and for funding the leadership development programmes, both in-country as well as ex-country. The support covers activities until 30th June 2016.

Part 1 : Civil Service Statistics – Key Highlights

Over the past five decades of development, the Civil Service has grown from a few hundreds to 26,699 civil servants, and is today engaged in delivering a broad range of public services that affect every aspect of our lives. Consequently, the Civil Service also consumes significant Government resources. The RCSC is guided by the policy of maintaining a small, compact and efficient Civil Service and strives to do so even as consecutive five-year plans have been doubling in size, putting concomitant pressure for more human resources in all spheres. Table 3 & 4 below provide a snapshot of the developments. Overall, the ratio of civil servants to population is 1:28. Such a ratio does not look favourable, when compared to other countries. However, when seen in light of the comprehensive Constitutional obligations the Royal Government fulfills, from free basic education, free primary health care, provision of basic infrastructure covering access to motorable roads, electricity, drinking water supply, irrigation and mobile connectivity, that too in a difficult mountainous terrain with a scattered population, the ratio appears less unfavourable. Nevertheless, this is a key indicator of Civil Service efficiency and the Commission strives to improve the ratio through rationalisation of positions and enhancing productivity of civil servants.

The tables below highlight some of the key Civil Service statistics.

Table 3: Compensation of Employees

Sl. No.	Compensation of Employees	2002-2003	2007-2008	2013-2014	IMF 2010*			
					Africa	Asia & Pacific	Low income	Middle income
1	Compensation of employees as share of total GDP	3.1%	5.1%	5.7%	8.15%	5.85%	6.1%	8.0%
2	Compensation of employees as share of total spending	9.10%	14.25%	17.30%	31.9%	26.85%	27.2%	29.7%
3	Compensation of employees as share of domestic revenue	19%	12%	25.77%	30.1%	25.3%	27.35%	27.1%

* Source : Evaluating Govt. Employment and Compensation, IMF Sept. 2010, Table 1. [employees include Central & General Employment]

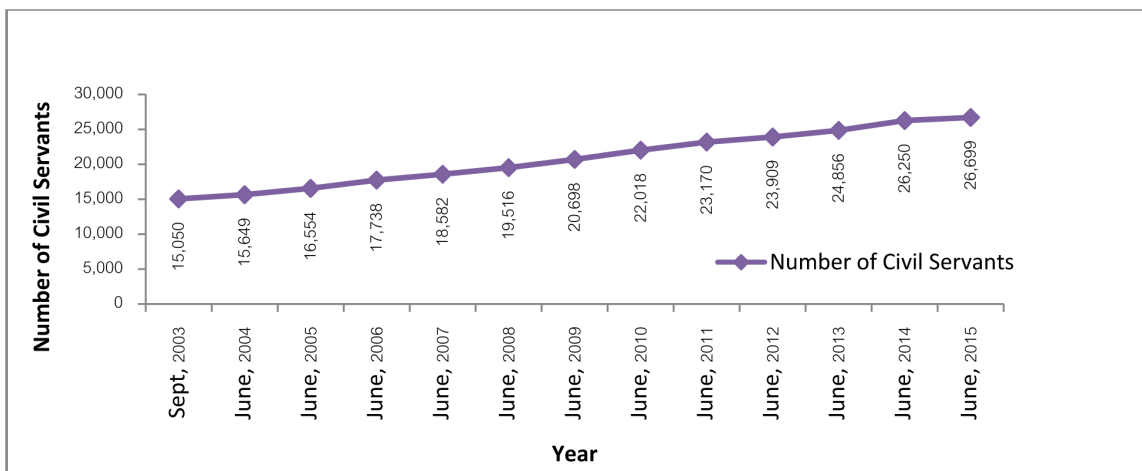
Table 4: Employment and Wage Level

Sl. No.	Employment	2002-2003	2007-2008	2013-2014
4	Government employment as percentage of private sector employment	71.32%	NA	30.60%
5	Government employment as percentage of total employment	6.78%	7.41%	7.45%
6	Government employment as percentage of population	2.40%	2.25%	3.39%
Wage Level				
7	Average government wage as a share of competitor private sector wages	NA	NA	151.81%
8	Average government wage as a share of GDP per capita	154.97%	173.42%	165.58%
9	Ratio of the highest government wage to the lowest (compression ratio)	6.26	6.26	6.42

1.1 Civil Service Staffing Trend

The strength of the Civil Service as on 30th June, 2015 was 26,699 comprising of 25,588 regular civil servants and 1,111 on contract.

Chart 1: Civil Service Staffing Trend (2003 - 2015)



The cumulative growth in the Civil Service strength as on 30th June, 2015 compared to the strength on 30th September, 2003 was 77.40%. The annual growth rate for the year 2015 was 1.68% as compared to 5.31% in 2014, 3.8% in 2013, 3.09% in 2012, 4.97% in 2011 and 5.99% in 2010. The decrease in the annual growth rate for the year 2015 is attributed mainly due to freezing of recruitment for many positions which are not critical as well as the exclusion of the staff of the ECB.

Table 5: Composition of the Civil Servants by Position Categories

Sl. No.	Position Category	2003		2008		2015	
		Total	percent	Total	percent	Total	percent
1	Executive and Specialist*	106	0.7	242	1.24	259	0.97
2	Professional and Management	4,513	29.99	9,640	49.4	14,228	53.29
3	Supervisory and Support	6,850	45.51	7,661	39.25	10,085	37.77
4	Operational	3,581	23.79	1,973	10.11	2,127	7.97
	Total	15,050	100	19,516	100	26,699	100

* Includes Constitutional Post Holders

As on 30th June, 2015 of the total of 26,669 civil servants, Professional & Management category represents the largest group of around 53%, followed by Supervisory & Support category with 38% and Operational category with 8%. Executives & Specialists category represent only 1% of the total civil servants. In other Civil Service, this group accounts for around 3-5% of the total. The Royal Civil Service is not top heavy.

1.2 Age Profile of Civil Service

The median age of civil servants is 33 years as on 30th June 2015. 25% of the civil servants are less than 29 years of age and 25% of the civil servants are older than 40 years. The median age group for female in the Civil Service is 30 – 34 years and 35 – 39 years for male which indicates that female civil servants are younger than male civil servants.

A total of 6,857 (25.68%) civil servants fall under 30 – 34 years age group, followed by 6,461 (24.20%) under 25 – 29 years age group and 5,009 (18.76%) under 35 – 39 years age group (Table 6).

1.3 Gender Profile of Civil Service

As on 30th June 2015, there are a total of 17,489 (65.50%) male civil servants, of whom 16,741 are regular civil servants and 748 are on contract. There are 9,210 (34.49%) female civil servants, of whom 8,847 are regular civil servants and 363 are on contract as presented in Table 6. During the last eight years, almost equal number of females and males entered the Civil Service.

Table 6: Civil servants by gender and age groups

Age Group	2003	2008		2015			
	Total	Female	Male	Total	Female	Male	Total
19 yrs & below	193	2	-	2	1	1	2
20 - 24 yrs	2,866	584	496	1,080	740	678	1,418
25 - 29 yrs	3,576	2,383	3,514	5,897	2,694	3,767	6,461
30 - 34 yrs	2,905	1,407	3,020	4,427	2,679	4,178	6,857
35 - 39 yrs	2,037	664	2,343	3,007	1,715	3,294	5,009
40 - 44 yrs	1,407	420	1,872	2,292	670	2,062	2,732
45 - 49 yrs	848	196	1,219	1,415	430	1,713	2,143
50 - 54 yrs	375	77	956	1,033	217	1,121	1,338
55 - 59 yrs	34	27	315	342	60	599	659
60+ yrs	7	3	18	21	4	76	80
Grand Total	14,248	5,763	13,753	19,516	9,210	17,489	26,699

1.4 Age and Gender Profile of Executives/Specialists

As on 30th June 2015, there are a total of 259 civil servants in the Executive & Specialist category. Of the total, 147 are executives and 102 are specialists (Table 7).

The average age of the civil servants in Executive & Specialist category is 52 as on 30th June, 2015. The age ranges from of 40 - 73 years. The majority of the executives and specialists fall in the age group of 50 to 54 (37.5%). However, there are 71 (27.4%) of them above the age of 55 which means that they would be superannuating in the next five years (Table 8).

Table 7: Gender profile for Executives/Specialists by Position Level

Position Level	Gender		No. of civil servants
	Female	Male	
ES1		1	1
ES2	1	23	24
ES3	12	65	77
EX1	1	29	30
EX2	3	46	49
EX3	5	63	68
CO*	4	6	10
Total	26	233	259

* Constitutional Office

Table 8: Age group and Gender profile for Executives/Specialists

Age group	Gender		No. of civil servants
	Female	Male	
40 - 44 yrs	4	10	14
45 - 49 yrs	10	58	68
50 - 54 yrs	8	89	97
55 - 59 yrs	4	67	71
60+ yrs		9	9
Total	26	233	259

1.5 Length of Service

The average length of years of service as on 30th June, 2015 is 11 years. The average length of years of service by position category is shown in the table below.

Table 9: Length of Service

Sl. No.	Position Category	Length of years of service
1	Executive & Specialist	27
2	Professional & Management	11
3	Supervisory & Support	10
4	Operational	10

1.6 Civil Service by Location

With a total of 8,652 civil servants, Thimphu has the highest number of civil servants followed by Chhukha with 1,869 and Sarpang with 1,597. Gasa Dzongkhag has the least number with 245 civil servants.

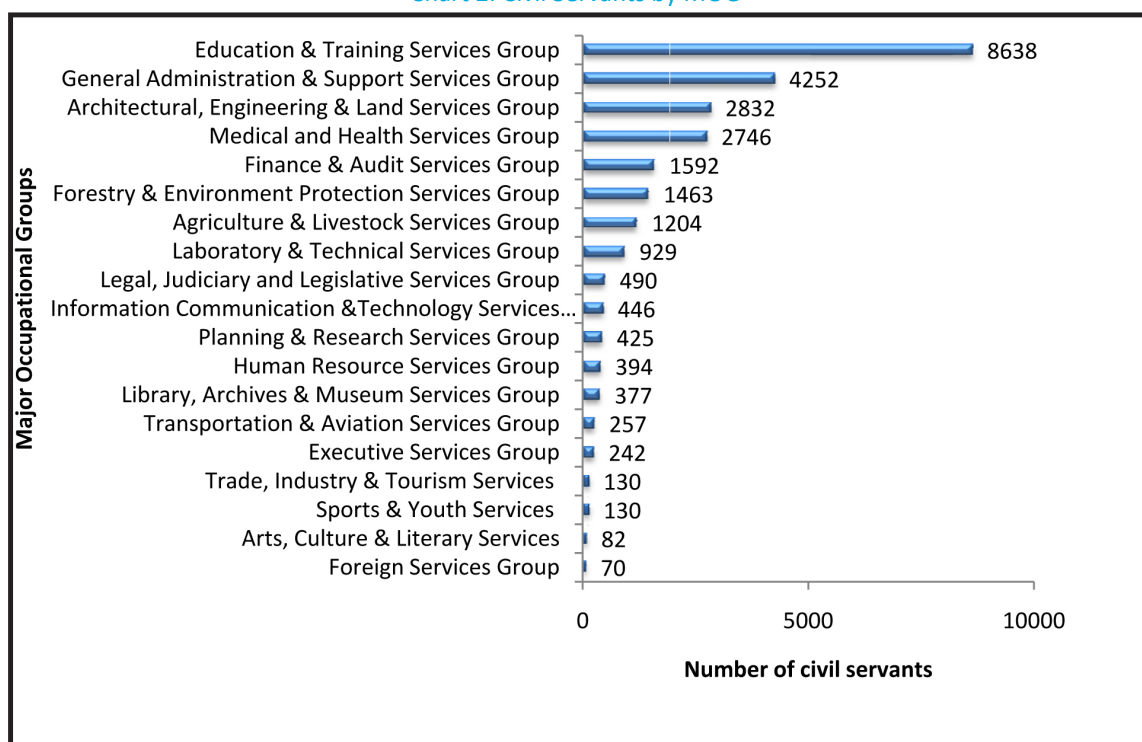
Table 10: Location spread of civil servants

Location	2008	2015				Total
		Executive & Specialist	Professional & Management	Supervisory & Support	Operational	
Bumthang	627	1	443	377	90	911
Chhukha	1,508	6	1,019	707	137	1,869
Dagana	335	1	402	249	36	688
Gasa	138	1	104	129	11	245
Haa	283	1	233	149	23	406
Lhuentse	330	1	281	173	30	485
Monggar	995	3	686	536	87	1,312
Paro	1,182	9	781	669	107	1,566
PemaGatshel	411	1	395	245	47	688
Punakha	526	2	503	229	42	776
SamdrupJongkhar	824	2	540	475	80	1,097
Samtse	845	1	765	453	56	1,275
Sarpang	1,008	3	839	641	114	1,597
Thimphu	6,627	209	4,387	3,095	961	8,652
Trashiyangtse	416	-	342	217	27	586
Trashigang	1,230	1	786	578	87	1,452
Trongsa	397	1	322	192	36	551
Tsirang	393	1	372	232	29	634
WangduePhodrang	844	3	590	383	68	1,044
Zhemgang	531	-	379	341	56	776
Outside Bhutan	66	12	59	15	3	89
Grand Total	19,516	259	14,228	10,085	2,127	26,699

1.7 Civil Service by Major Occupational Group

Out of the 19 MOGs, the Education & Training Services group has the largest number of civil servants with 8,638 (32.35%). It is followed by General Administration & Support Services group with 4,252 (15.93%) and then Architectural, Engineering & Land Services group with 2,832 (10.61%). Foreign Services group has the least number of civil servants.

Chart 2: Civil Servants by MOG



1.8 Civil Service by Educational Qualification

Of the total of 25,588 regular civil servants, 11,035 (43.13%) have qualification of Certificate/ Class XII and below, 3,926 (15.34%) have qualification of Diploma and 6,882 (26.90%) have Bachelors Degree. As of June 2015, 78% of civil servants meet the minimum qualification criteria.

Table 11: Civil servants by Qualification

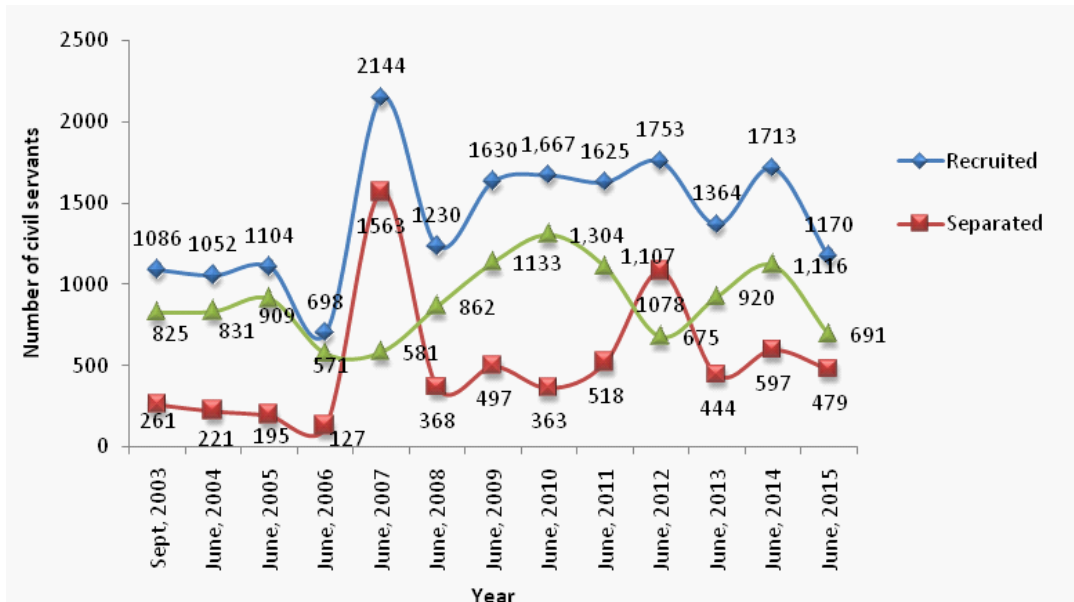
Sl. No.	Educational Qualification	2008		2015	
		Number	Percent	Number	Percent
1	Ph. D.	13	0.07%	25	0.1%
2	Master	901	4.79%	1,853	7.24%
3	PG Dip/ PG Certificate	867	4.61%	1,810	7.07%
4	Bachelor	3,534	18.79%	6,866	26.83%
5	Diploma	2,807	14.93%	3,980	15.55%
6	*Other	9,712	51.65%	10,164	39.72%
7	Functional Qualification	971	5.16%	890	3.48%
	Total	18,805	100.00%	25,588	100.00%

* Certificate, Class XII, Class X and below

1.9 Recruitment and Separation

During June 2014 to June 2015, a total of 1,170 civil servants were recruited and 691 civil servants were separated. There was a net increase of 479 civil servants.

Chart 3: Trends of civil servants Recruited, Separated and Net increase



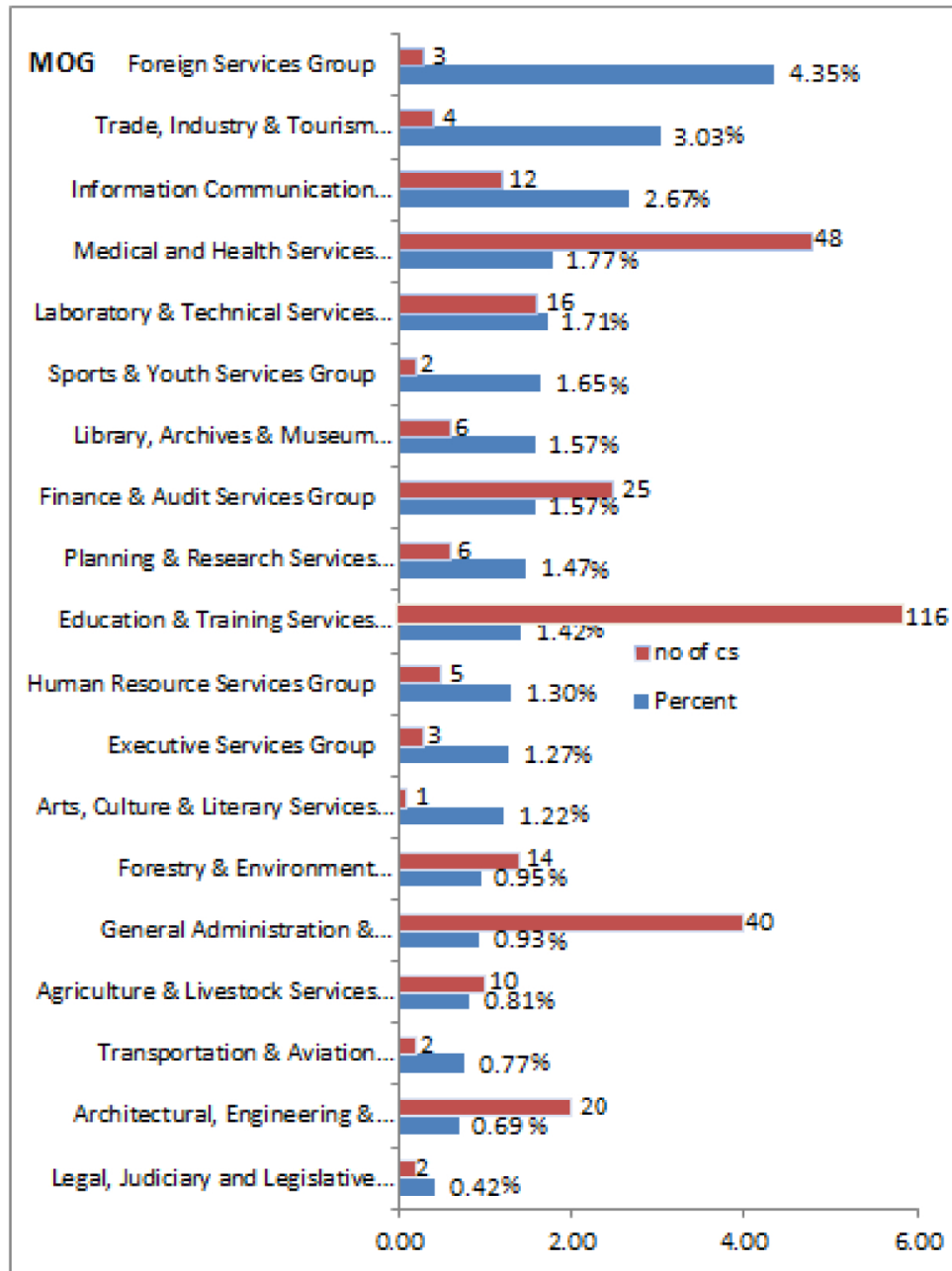
The growth rate of recruitment decreased significantly in June, 2015 (-46.41%) as compared to 20.37% in June 2014. The reason for the drop in growth rate can be attributed to the Commission’s decision to rationalise HR requirement through OD Exercise preceded by freezing of all non-critical decentralised recruitments at entry level positions including GSP & ESP and freezing of non-critical in-service recruitment within broad-banded positions in keeping with the notification issued in June, 2014.

A total of 424 (36.24%) civil servants were recruited at P5 position level (through the BCSE), 271 (23.21%) at S1 position level and 148 (12.65%) at P4 position level. A significant increase in recruitment of S1 position level (73.8%) is mainly due to recruitment of 200 non-select B. Ed graduates on contract.

1.10 Extraordinary Leave

A total of 355 civil servants availed EOL as on 30th June, 2015. Although, 116 employees under Education and Training Services group are currently on EOL, it constitute only 1.42% of the total employees of this MOG. On the other hand, three employees of the Foreign Services group availing EOL, constitute 4.35% of the total employees under this MOG.

Chart 4: No./Percentage of civil servants on EOL by MOG



Part 2 : Civil Service Reforms – “Good to Great”

As a constitutional body entrusted with a mandate to promote and ensure an independent and apolitical Civil Service that will discharge its public duties in an efficient, transparent and accountable manner (Article 26 (i) of The Constitution of Kingdom of Bhutan), the CSAB 2010 specifies the responsibilities of RCSC as follows:

- (a) endeavour to ensure that civil servants render professional service guided by the highest standards of ethics and integrity to promote good governance and social justice in implementing the policies and programmes of the Government;
- (b) serve as the central personnel agency of the RGoB and in the interest of promoting merit, productivity and equity; and
- (c) ensure a “Small, Compact and Efficient Civil Service” as an important agent for the realisation of the vision of Gross National Happiness.

In keeping with the above provisions of the Constitution and CSAB 2010, it is clear that the RCSC must focus on its key line functions of leading and shaping a unified, apolitical, professional Civil Service capable of: (i) discharging public duties and providing professional service in support of good governance; (ii) guarding key public values, and (iii) serving as the central personnel agency of the RGoB.

Following a review of the state of the Civil Service, the RCSC identified five areas for reforms that are necessary to transform the Civil Service from “good to great”. The aim is to shape a Civil Service that is able to secure, in perpetuity, a sovereign, secure and self-reliant Bhutan. The reforms, and updates on the reforms, will form a key part of subsequent annual reports of the RCSC.

The RCSC initiated the reforms during the fiscal year 2014-2015. Before rolling out the reforms, the Commission made familiarisation visits to all 20 Dzongkhags, 10 Ministries, 3 Constitutional Offices and 20 Agencies from 1st May, 2014 to 1st September, 2014. During the visits, the Commission met with more than 3,000 civil servants (Head of Agencies and civil servants at managerial positions), including a special meeting with the Secretaries, to understand the issues and challenges concerning the civil servants. The Commission hopes to implement most of the reforms in the first two to three years of the Commission’s tenure with the rest of its time to be used to solidify the reforms including, making necessary mid-course corrections. The reforms will lead to a revised BCSR in 2016/2017. These reforms and the underlying rationale are highlighted below.

2.1 Organisational Development Exercise

The OD Exercise is one of the major reform initiatives of the RCSC. The OD Exercise is undertaken as per the requirement of CSAB 2010 and also in line with the Cabinet Order issued via letter No. C-3/11/216 dated 27th December, 2013. Periodic OD Exercise is necessary to ensure that the Government is organised optimally and that agencies mandates are aligned to support the achievement of national development objectives and that human resources are optimally utilised.

The OD Exercise aims to address a number of issues beginning with the general perception, and also as reported by the Interim Government, that the Civil Service is bloated with inherent duplication of services and the challenge of territorialism resulting in inefficient delivery of services and high costs.

Therefore, there is a need to review the mandate of Agencies to align the goals of Agencies to the national goals, improve public service delivery and rationalise human resources. While there may be large expectations from the OD Exercise, from the RCSC's perspective, the exercise was to look at the following issues that appear to be the major areas of concern:

- Is the Government large – in terms of number of people versus governmental obligations?
- Is there good alignment between national goals, objectives and departmental targets and individual work plans and job description?
- Are people being used optimally?
- Is the Government organised optimally?
- Are there redundant organisations and positions?
- Are there areas where government should not be involved?

2.1.1 OD Methodology

In order to sustain the process in the agencies and build such capabilities in the Civil Service, an OD Team was formed, composed of HR professionals as well as other civil servants from selected Agencies. The team members were trained in the Asian Institute of Management, the Philippines and at the RIM. Following the training, they were divided into smaller teams and worked in close collaboration with the management and employees of the various Agencies. The first output of this group was the OD Guidelines, developed by the team under the overall direction of the Commission and rolled out to the Agencies.

The main framework used for the OD Exercise was the 7S framework – see Box 1, below for a brief explanation. Secondly, the issues and key findings of the OD Exercise were vetted from various perspectives, and authenticated using different lenses to ensure higher level of validity. Some of the main instruments used in the OD Exercise include:

- i. Maintaining Daily Log of Activities;
- ii. Organisational Behaviour Survey;
- iii. Focus Group Discussions of relevant stakeholders and clients; and
- iv. Assessment based on 7S Model.

Box 1: McKinsey's 7S Model

It is a management model used as an organizational analysis tool to assess and monitor changes in the internal situation of organization. The model is based on the theory that, for an organization to perform well, the following 7 elements need to be aligned and mutually reinforcing. It recognizes the full range of elements that need to be changed and focuses on the ones that will have the greatest effects. It is used widely to improve performance of an organization, examine the likely effects of future changes within an organization, align departments and processes during a merger or acquisition, and determine how best to implement a proposed strategy.

- 1 Strategy: Ways to achieve competitive advantage (H)
- 2 Structure: Ways in which task and people are specialized and divided, and authority is distributed (H)
- 3 Systems: Formal processes and procedures to manage the organization (H)
- 4 Staff: The type of employees, remuneration packages and how they are attracted and retained (S)
- 5 Skills: Capabilities to complete different activities (S)
- 6 Shared Values: Summarised in a vision and or mission, this is how the organisation defines its raison d'etre (S)
- 7 Style: The culture of the organisation in terms of leadership and interactions between staff and other stakeholders (S)

H=hard elements

S= soft elements

Source: 1. Structure is Not Organisation- Business Horizons, June 1980
2. Witcher, B.J. & Chaup, V.S., (2010), Strategic Management: Principles and Practice, p.248-249

The other instruments developed during the OD Exercise include Agencification Principles and Framework, Accreditation Framework and Guidelines, Parenting Guideline and Common Framework for the Local Government.

Finally, all structural related issues of the Agencies were further rationalised using the Agencification Principles and Framework.

2.1.2 Implementations of OD Recommendations and the way forward

As of May 2015, OD Exercise in all 10 Ministries, 5 selected Agencies, 7 Dzongkhags and 3 Thromdes have been completed and OD reports prepared along with recommendations (refer Annexure II: List of 25 Agencies where OD Exercise is completed). The OD recommendations are grouped into three categories:

- C1 Recommendations - relating to internal systems, processes and configuration of the Agency that can be implemented immediately by the respective managements;
- C2 Recommendations - relating to procedures and systems that are cross cutting in nature and therefore require bilatereal and multi-sector consultations; and
- C3 Recommendations - relating to changes in structure such as bifurcation or merging of departments and transfer of mandates, etc., which require quite extensive ground work and the approval of the Government before they can be implemented.

Upon the approval of the OD recommendations by the Cabinet, the RCSC will conduct bilateral meetings with the Agencies to finalise operational plans, agree staffing plan, and begin implementation of the plans. Special focus will also be given during the implementation phase to institute sound public service delivery system by reducing Turn-Around-Time (TAT), development of service standards and standard operating procedures and simplification of processes, and enhancement of transparency and accountability.

2.2 Bhutan Civil Service System

2.2.1 Rationale

The PCS reforms that were initiated in 2006 culminated in the BCSR 2012. The main objective of the reform was to achieve the objective of “Right Person for the Right Job”, which should lead to optimal use of human resources and better results. However, what has become apparent is that BCSR 2012 was actually working against the realisation of this objective in a number of areas. In the Professional & Management category, the link between entry into the Civil Service and the career path they follow is broken such that once inside the system, irrespective of the entry, they could eventually move around. Moreover, HRD investments were not aligned to ensuring the build-up of the expertise and professionalism necessary to deliver the Government’s plans and programmes. For instance, people who joined the Civil Service as technical, with the benefit of higher entry given for their scarce skills, were allowed to “move”, after meeting some obligations, into management at the P1 position level. When this follows large investments in HRD such as Masters Degree and even Ph.Ds, all at government expense, it results in low returns on HRD investment while the Civil Service continues to face shortages of such skills and experiences. Even in the face of great shortages, medical doctors were moving into administration. People, who entered the Civil Service as teachers, and received substantial HRD investments in their career, were allowed, after ten years, to move into management. Clearly, allowing this to continue will defeat the overall PCS objective of “right person for the right job”, and thus make professionalism of the Civil Service a constant struggle. Thus, the very foundation of a strong Civil Service system i.e. recruiting, developing and using people for the fields/areas they were selected for and developed for had been weakened by rules that did not support it. Yet, this is critical to achieve the objectives of the PCS reform and for the full benefit of the PCS.

Therefore, realising the importance of rebuilding the foundation of the Civil Service system, the RCSC has initiated a thorough review of the BCSS. Implementation of necessary changes will be one of the key reform areas to promote meritocracy, productivity, equity and professionalism in the Civil Service. Among others, the BCSS reforms will seek to address the following:

- bring clarity into the system by segregating civil servants into the four Position Categories i.e. EX/ES, P&M, S&S and O;
- reduce and rationalise the entry points into the Civil Service and provide sufficient career path in every position category to address stagnation;
- ensure that people are utilised in the areas for which they were recruited and trained such that they develop more expertise;

- professionalise the Civil Service including the people recruited for administration and management through targeted training linked to their Terms of Reference to build a cadre of people who can ensure that the country's goals and objectives are met;
- address the issues that currently disadvantage important professions such as doctors, who have to spend considerable time on specialisation necessary to deliver quality health services around the country; and
- address the issues related to sub-optimal use of specialists in other fields such as agriculture.

The Commission will also pay close attention to the implementation of the reforms and ensure that it is done in a manner that minimises winners and losers.

Some of the key features of BCSS reforms being planned are:

2.2.1.1 Super Structure

Following the reforms, the existing 19 MOGs and 94 Sub Groups will be clubbed under a super structure made up of 5 overarching groups. The five groups includes: (i) Executive & Specialist Services group, (ii) Administration Services group, (iii) Finance Services group, (iv) Education Services group, and (v) Technical Services group. This will serve as a guide for movement of civil servants within their professional areas as well as ensure specialisation in their profession. These five broad groups are categorised based on entry into the Civil Service through BCSE. During the transition, the principle of vested right shall prevail whereby the civil servants by the virtue of being in one of the five groups will be considered under the particular group even if their MOG has changed. Nonetheless, civil servants shall have the option to move to the previous MOG. For example, an engineer working as planner will be given the option to go back and work as engineer or continue in the current position.

2.2.1.2 Officer on Special Assignment

The Super Structure will lead to professionalisation of the Civil Service and allow the movement of civil servants within the group. This will help to enrich the quality of work for the job he/she is moving into as the person brings the depth of his technical expertise without having to switch MOG. The movement of civil servants outside the group will be restricted to the four groups, except for the Executive & Specialist Services, as the qualification requirements are different. However, recognising the importance of cross-fertilisation of ideas that can occur when civil servants are given opportunity to move into different fields as well as recognising that in a long Civil Service career, people need such avenues, the concept of Officer on Special Assignment (OSA) will be introduced. Under this arrangement, an OSA shall be allowed to move outside the group under special circumstance for a specific duration. For example, the MoE could send a teacher to the GNH Commission to help GNH Commission prepare the 12th FYP. Under the present system, the only way to do this would be to actually transfer the person and change his occupational group from a "teacher" to a "planner". Under the OSA approach, such change will not be necessary but at the end of the specified term (a form of secondment essentially), the teacher will have to go back to his/her Ministry and back to his/her profession of teaching.

2.2.1.3 Career Progression

Stagnation i.e. people having to spend many years in the same position level due to lack of career ladder, remains a major issue for civil servants, especially in the Supervisory & Support category. Unresolved, this will eventually make such occupations– technicians, nurses, administrative assistants etc. unattractive, which would be detrimental to the delivery of related public services. Therefore, the career progression of Supervisory & Support category is being reviewed based on the average age a civil servant enters at various levels, number of years of service and the years spent at highest position level before superannuation.

As a part of the reform, doctors' career path is also being reviewed to explore ways to make up for the seniority lost due to long duration of study (MBBS/BDS and Masters), to motivate the existing doctors to perform better and overall, to make the medical profession more attractive as this will be a profession whose demand will grow with the ageing of the population.

The career path of technical people beyond the P1 position level as well as the use of specialists in other fields are also being looked into with a view to make it exciting for people in technical fields to continue specialisation and practicing their profession throughout their career. Among others, specialists heading organisations/units without policy making functions, are under review.

2.2.2 Remapping civil servants into the Four position categories

There are a total of 389 entry positions in the Civil Service. From among other, 185 entry positions have career paths that allow the people to move until P1 position level in the Professional & Management category. 40 positions that begin in Supervisory & Support category have career paths up to S1 position level and P5 position level only, which means stagnation occurs after 16 to 20 years of service. This mixing up of the Supervisory & Support category people with the Professional & Management category creates unnecessary confusion and issues for administration and also human resource planning and management. Therefore, going forward, the four position categories will be separated such that people's career path will be reflected in their own position category. Following this change, only those who enter the Civil Service through the BCSE will be placed in the Professional & Management category. They have the opportunity based on their performance to move right up to Executive & Specialist positions. The Supervisory & Support category will have career path that will overlap up to P2 position level, but will be mapped within the Supervisory & Support category as SS4, SS3, SS2, and SS1. However, they will be given all benefits of equivalent position level of Professional & Management category such as vehicle quota etc. and also enjoy similar superannuation age.

2.2.3 Implementation status and way forward

The draft proposal has been presented to the Heads of Agencies during the Executive Forums II and III and the RCSC has received positive feedback and support. A series of consultative meetings with relevant Agencies are being held. This reform is scheduled to come into effect in 2016.

2.3 Succession Planning and Leadership Development

Leadership is key to the performance of an organisation. Accordingly, it is recognised as a powerful lever for change and results. However, thus far, the conversation within the Civil Service is about executive positions and not about leadership. As further career progression was more or less a function of time, a culture of entitlement and less about performance, has unfortunately crept into this important group. This is evident from the representations made to the RCSC by executives for promotions, mostly quoting the amount of time they have been in a certain position as opposed to concrete results. The idea that leadership is more than just becoming and being a Director/Director General/Dzongdag is something the present Commission is striving to change in a structured and systematic manner.

Therefore, the RCSC has prioritised the management of executives as one of the initiatives to strengthen the Civil Service. The focus will be on building an effective system for developing leadership capabilities and to enhance organisational performance as a result.

In terms of scope, the leadership group includes civil servants holding executive positions (153) as well as specialists (96) and heads of divisions. P1 position people are included as they are the pool from which new executives will be selected and thus must be groomed. Overall, the Succession Planning and Leadership Development reform will include initiatives in three areas:

- i. Succession Planning;
- ii. Performance Management; and
- iii. Leadership Development.

2.3.1 Succession Planning

Systematic and effective selection and placement of civil servants into the leadership pool and grooming of successors to occupy the leadership position are critical to ensure quality and sustained leadership in the Civil Service. Civil servants with the relevant domain expertise and leadership capabilities must be created systematically. Therefore, the selection system for the executives – Open Competition – has been revised to make it more robust. To reduce bias, the outlier scores – highest and lowest – from the five interview panels are removed from the calculation of the final result. It has also been made more competitive and comprehensive with a major focus on leadership capabilities, required domain expertise and track record, through their file as well as feedback from superiors, peers and subordinates – past and present - on their performance and integrity. Integrity checks have also been introduced which includes informal feedback from the ACC and efforts are underway to maintain audit history.

At the same time, the Commission also reviewed and found that there were two positions which allowed people to move into the Executive category without going through the transparent, merit based “Open Competition” system, namely appointment as Dzongdags and Ambassadors. Since such exceptions would undermine the integrity of the system for selecting civil servants into leadership positions, the Commission undertook a review of these two positions.

The Commission found that the Dzongdag position was “under classified” as it is an appointment under The Constitution, and has, among others, an important and growing role to play in Bhutan’s development, represents His Majesty the Druk Gyalpo in the Dzongkhags, maintains law and order, deals with the public and local leaders as well as with sensitive issues. Yet, people from P1 position level, who were not yet proven, were appointed to these positions. To address this, the RCSC elevated the position of Dzongdags to EX2/EX1 position level. As a result, the pool for Dzongdag nominees are now all minimum EX3 level executives. Existing Dzongdags, who are at EX3 position level are being upgraded to this new level in a phased manner.

With respect to Ambassadors, which is a political appointment, the RCSC has decided that if civil servants at P1 position level and below are selected, they can enjoy ambassadorial privileges and perks but their position level in the Civil Service will remain unchanged.

Furthermore, a framework is also under development that will ensure more strategic movement (transfers) of civil servants in this group. Also, the RCSC will now use the “Waiting List” at the RCSC as a tool for facilitating timely transfers as well as reducing complacency among executives.

As of 30th June 2015, the following executives were appointed/transferred:

1. Tenzin Dhendup, Secretary to MoAF, appointed on 23rd May 2014;
2. Sonam Wangchuk, Secretary to GNH Commission, appointed on 25th July 2014;
3. Dr. Dorji Wangchuk, Secretary to MoH, appointed on 29th October 2014;
4. Sonam Jamtsho, Director, Department of Infrastructure and Medical Health Services, MoH, appointed on 26th November 2014;
5. Dr. Pandup Tshering, Director, Department of Public Health, appointed on 1st January 2015;
6. Lhab Dorji, President, JDWNRH, appointed on 1st January 2015;
7. Kinzang Wangdi, Cabinet Secretary, Cabinet Secretariat, appointed on 25th March 2015;
8. Sonam Rinchen, Dzongdag, Dzongkhag Administration, Trongsa, appointed on 2nd March 2015;
9. Dorji Dradhul, Dzongdag, Dzongkhag Administration, Gasa, appointed on 2nd March 2015;
10. Dasho (Dr.) Sonam Tenzin, Secretary, MoWHS, transferred as the Secretary for MoHCA, on 13th May 2015;
11. Tshering Dorji, Secretary, MoHCA, transferred as the Secretary for MoFA, on 13th May 2015;
12. Dasho Yeshe Dorji, Secretary, MoEA, appointed on 25th May 2015;
13. Phuntsho Wangdi, Secretary, MoWHS, appointed on 25th May 2015;
14. Sangay Duba, Secretary General, National Assembly Secretariat, appointed on 25th May, 2015;

15. Dorji Tshering, Director, RCSC, transferred as the Director for Department of Occupational Standard, MoLHR, on 26th May 2015; and
16. Karma Tshering, Director, Department of Renewable Energy, transferred as the Director for Department of Hydro-Power & Power System, MoEA, on 16th June 2015.

Further, a total of 28 specialists and 30 executives were promoted during the reporting period.

2.3.2 Performance Management of Executives

The performance of executives is key to achievement of the organisational goals and objectives. Furthermore, the performances of the employees up to a large extent are influenced by the performance of the Head. Therefore, RCSC will closely monitor the performance of executives which will be assessed using evaluation from the GPMS. In addition, a 360 degree online feedback system will be institutionalised. This will allow the RCSC to develop a more complete picture of the abilities of its executives so that they can be suitably placed.

At present, the performance appraisal system does not provide an insight into the real performance of the executives. As a consequence, there can be wide variations between the performance ratings of an executive vis-à-vis his/her organisation's delivery. Also, there is weak linkage between performance and promotions and as highlighted earlier, time has become the default measure for promotions. This must change. Since organisational performance is closely linked to the performance of its leader, to make this linkage explicit and thus stronger, the ongoing reforms are looking at using achievement of organisational targets i.e. APA/ GPMS, as a proxy for the performance of the executive. This is expected to have a significant impact on Civil Service performance as a whole. Currently, this is being tested as part of the PMS.

A tested means to enhance performance is to strengthen the link between performance and rewards. Towards this end, the Commission has already started transferring people with promotion when they have performed well and are being transferred to shoulder higher responsibilities. Through a notification, the Commission has also discontinued the past practice of executives "applying" for promotion. The Commission is trying to engender the idea that promotion is a reward for good performance adjudged by the Commission through their PER and real achievements and also that at the executive level, every promotion is a meritorious promotion, irrespective of time.

2.3.3 Leadership Development

RCSC recognises that our executives must be equipped with right perspectives, knowledge and skills to achieve organisational goals and objectives. Under the leadership development component, systematic trainings will be provided to all executives. The leadership training endeavours to ensure all executives in the Civil Service have a clear understanding of what is expected from them, and receive necessary trainings that cover development of desirable leadership traits as well as domain expertise. Three initiatives have been identified for the purpose of developing leadership capability:

1. Executive Forum – for regular interaction between executives and the RCSC;
2. Bhutan Executive Services Training (BEST) - general leadership capabilities development; and
3. Ex-country Leadership development programmes - for domain expertise.

2.3.3.1 Executive Forum

The Executive Forum will be conducted annually at the RIGSS and targets all heads of Ministries, Agencies, Thromdes and Dzongkhags. The Executive Forum is a two-day structured dialogue session in an informal roundtable setting. It provides a platform for executives to interact with the RCSC to discuss key issues and areas of concern in the Civil Service. As of now three Executive Forums have already been conducted. The first Executive Forum was attended by 19 executives in December, 2014 in Paro. The second and the third Executive Forums were held at RIGSS, Phuentsholing and were attended by 11 executives each in February, 2015.

2.3.3.2 Bhutan Executive Services Training

This is a 14 day mandatory training for all civil servants, who enter the executive category. They will have to undergo this training once every three to four years. RIGSS has designed the training as well as identified reputed faculty members to deliver the programmes.

To begin with, two BEST programmes are planned during 2015. BEST I was launched and held in the first two weeks of August. BEST II will be held in the last two weeks of October. BEST I participants included 10 executives and 10 officials from the leadership pool position i.e. P1. The feedback from BEST I will be incorporated into BEST II in order to ensure that this programme transforms the participants with desired leadership traits (five leadership capabilities identified by RCSC). BEST will be a regular annual programme to learn, renew, improve and innovate leadership in the Civil Service.

2.3.3.3 Ex-country Leadership Development Programmes

The CSAB 2010 and BCSR 2012 require periodic transfer of civil servants in the vulnerable groups, including executives. This requires executives to be equipped with certain amount of domain expertise besides having sound managerial and leadership skills so that they can provide effective leadership no matter the situation or organisation.

In view of the limited in-country capacity for developing domain knowledge in diverse disciplines, the Executive Leadership Development Program for identified domains/fields will be undertaken through ex-country programmes. Top institutes have been identified to ensure that Civil Service leaders are exposed to the best knowhow and practices, such as Harvard in the USA, Australia and New Zealand School of Government in Australia (ANZSOG), Indian Institute of Management- Ahmedabad in India and Civil Service College in Singapore, amongst others.

Till date, four executives have attended the ex-country leadership development programmes: Director, Department of Roads and Tsiwang Dzongdag attended the training that focused on

service delivery at the ANZSOG. Secretary, NLC and GNHC attended the “A Cutting Edge in Development Thinking Program” at Harvard from 18th-22nd May, 2015.

2.4 Performance Management System

2.4.1 Rationale

Enhancing good governance requires a high standard performance culture in the Civil Service. A well functioning PMS is a precondition for an organisation’s success. Section 61 of the CSAB 2010 requires the RCSC to institute and oversee the implementation of a transparent, objective, and fair performance evaluation system, amongst others, to reward and promote deserving civil servants. However, in the present situation, almost all civil servants are rated outstanding (a rapid assessment across ten ministries revealed average PE rating of 3.83 i.e. Outstanding!) and it is not necessarily tied to the organisational performance because of a weak culture of individual work planning and thereby, accountability for performance. Therefore, improvements to the present PMS are urgently required.

2.4.2 Objectives

The purpose of the PMS reform initiative is to enhance Civil Service performance by strengthening areas of performance planning, review and evaluation such that development goals and objectives are achieved to a high level of satisfaction. The key objectives of new PMS reforms are as follows:

- Alignment: strengthen linkage of organisational targets SKRAs/AWPs/Annual Budgets to the national NKRA and cascade organisational goals right down to the individual so that individuals have a clear sense of their role and contribution to the bigger goals of the organisation and the nation;
- Differentiation: differentiate performers from non-performers by making performance evaluation results based on IWPs the main basis for rewards/corrective action/HRD; and
- Accountability: cascade activity targets from the head of agency down to individuals so that accountability to meet organisational objectives is enhanced.

2.4.3 Implementation Status and Way Forward

Introducing and enforcing a new performance management culture in large organisations like a government is a particularly difficult task, as can be seen from PMS and public sector PMS reforms literature around the world. The PMS framework has been developed and will be piloted for a period of one and half years before the actual roll out planned from 1st January, 2017. During this period, the PMS framework will contextualise different frameworks to our context based on feedback received from pilot Agencies. Finally, a PMS manual will be developed, which will be used as a guide to successfully implement the new system.

The new framework is being piloted in the 10 Ministries, 20 Dzongkhags and 5 Autonomous Agencies with which the government has signed APA. Moreover, as one of the new features of PMS, 35 Agencies have begun developing their IWPs. Furthermore, the new feature of Forced Ranking was tested with the Department of Agriculture and Department of Forests and Park Services, MoAF, and with the Dzongkhag Administration, Thimphu. Also, to facilitate smooth

transition to a culture of developing individual work plan and based on feedback received during the first phase of piloting exercise, a draft PMS guideline was developed.

2.5 Civil Service Well-Being

The RCSC recognises that the well-being of civil servants is essential and fundamental to their performance. Civil servants can give their best and work happily together if they are free from unnecessary worries or problems. Further, Sections 27(f) and 89 of the CSAB 2010 requires RCSC to promote Civil Service well-being. Enhancing Civil Service well-being will also help to attract, retain and motivate civil servants. This will be increasingly important as the government will not be able to compete with corporate and private sector on pay alone. However, little attention has been paid to this important area. At the same time, the Commission is mindful that interventions must have minimal financial implication, given the tight fiscal situation of the government. Thus far, the RCSC has identified three areas for interventions, covering civil servants both while in-service as well as in retirement.

- i. Civil Service Support Desk;
- ii. Exit Management; and
- iii. Civil Servants' Welfare Scheme.

2.5.1 Civil Service Support Desk

As a Parent Agency for all civil servants, it has become important for the RCSC to create avenues for grievance redressal so that civil servants can turn to RCSC when necessary. There are a number of areas in the Civil Service, which affect the performance of the civil servants such as conflicts, discrimination, and sexual harassment. Also, there are unmet needs for counselling related to career, long-term absence from work, continued poor work performance, alcohol or drug problems, family problems and domestic violence, etc. which affect Civil Service performance. In the past, these were largely ignored. The CSSD will seek to address these, mainly by facilitating referral to competent bodies or in cases of non-performing people, through retraining and redeployment by RCSC in the first instance and in recalcitrant cases, separation. Therefore, the CSSD has been established.

Till date, the CSSD received the following cases pertaining to three individual civil servants:

- i. A Teacher, Khasadrapchu Middle Secondary School who had become visually impaired while in service - the Well-being Committee had reviewed the case and forwarded it to the MoE with advice for suitable redeployment;
- ii. An Extension Supervisor, Dzongkhag Administration, Dagana who had become a chronic alcoholic due to family problem - the incumbent was admitted in Treatment and Rehabilitation Centre for Drug and Alcohol Dependence at Serbithang for full rehabilitation programme of three months; and
- iii. An Asst. Engineer IV, Dzongkhag Administration, Haa who had become a chronic alcoholic - the incumbent was admitted in JDWNRH for full detoxification course.

2.5.2 Exit Management

Civil servants are often caught unaware and unprepared for life after superannuation. Many are ill prepared to deal with financial, psychological and emotional challenges that accompany separation from the Civil Service. The Exit Management will, therefore, help civil servants prepare for eventual superannuation, mentally and financially through retirement planning services.

A structured system of retirement planning over a series of sessions targeting civil servants at 10, 5 and 1 year/s to superannuation will be introduced. This programme will be optional, as it is intended for civil servants who need guidance and advice only. The programme will be launched in the following fiscal year.

The RCSC will also ensure that civil servants superannuate with dignity and respect. Towards this end, a superannuation ceremony with the award of the Lifetime Service Award has been made mandatory. This is important both to recognise a lifetime of dedicated service as well as to allow civil servants to leave properly and with dignity. Furthermore, the Agencies were notified on 3rd July, 2014 to provide one-month preparatory time for civil servants about to superannuate. Also, Agencies have been asked to facilitate processing of retirement benefits for the superannuating civil servants, so that they do not have to run around for their retirement benefits. The Well-Being Unit, through HR Officers, is continually facilitating smooth transition from Civil Service to superannuation. 42 civil servants from 13 Agencies were provided the services starting from 17th December, 2014 till 30th June, 2015.

Further, recognising that there will be an increasing pool of highly educated and experienced people separating from the Civil Service, and that they can still contribute to nation building and that many are keen to do so, their services will be procured, for minimal honorarium, in various fields and capacities. Services of four superannuated civil servants in executive category were procured as interview panelists in the BCSE B.Ed Graduates Examination – 2014 viva-voce held from 12th - 20th January, 2015. The RCSC is also encouraging, informally, the MoF to use them, where suitable, as Board Directors on SoEs and DHI Companies. In an effort to build the fraternity of the Civil Service, superannuated civil servants will be invited to important National events to interact and replenish their bonds to the Civil Service as well as receive recognition for their contributions to nation building.

The first two programmes of the CSW were launched on 17th December, 2014.

2.5.3 Civil Servants' Welfare Scheme

The third programme of the CSW is the Civil Servants' Welfare Scheme. It is a self-help programme "by, of and for" the civil servants. The scheme is an initiative to provide financial support, to start with, during one of the most difficult times in one's life, death. Such schemes already exist in some organisations and are found to be very useful. The proposed scheme is founded on the principles of self-help, compassion, altruism, etc. which is also the basis of our societal norms/values and is a reflection of the Civil Service value of looking out for each other and in particular, looking out for those who need it most. Consequently, while contributions are differentiated based on the major position categories, the benefits are the same.

Under this initiative, regular civil servants can become members of the scheme on a voluntary basis. Members will be required to make monthly contribution of a minimal amount based on their position category. In return for their contribution, members will receive a fixed amount as semso grant in the event of death of their dependant. Similarly, dependant will receive semso grant in the event of death of a member. However, semso grant for the death of the member would be relatively higher than that of the one granted for the death of a dependent. Membership is free after superannuation, but the coverage would then be only for the member and his/her spouse.

The start will be modest, with benefits covering only the incidence of death, but the plan is to gradually extend benefits to cover permanent disability and terminal illnesses, etc, that may befall a civil servant while in active service. This would be decided based on the corpus of the scheme, and by a trustee made of civil servants. Also, at a later date, when sufficient funds are built up, the scheme could evolve into a Civil Service credit union that can then provide a number of financial products and services at more competitive rates than the financial institutions.

A series of consultations with the Civil Service Agencies are underway on this scheme as the launch is planned for 11th November, to mark the nationwide celebrations of His Majesty the Fourth Druk Gyalpo's 60th Birth Anniversary.

2.6 Other Initiatives

2.6.1 Improving conditions for females and young parents in the workplace

Recognising some of the new challenges to work-life balance in the Civil Service, especially for parents, the RCSC has developed a framework on Parental Benefits, with a view to enhance family welfare and improve workplace conditions, particularly for female civil servants. The framework encompasses provisions on the extension of maternity leave in view of the importance of breastfeeding and the underlying health impact to the child and the mother, extension of paternity leave, and the introduction of parental leave which allows civil servants to take some months off to be able to give full attention till the child turns one year. The framework also covers provisions on the implementation of flexi-timing that covers staggered hours, increased breastfeeding hours, nursing rooms and crèche services and remote working, wherever feasible.

The RCSC has so far presented this in a number of forums and received positive feedback, including from the NCWC led by Chairperson, Director General and officials. The framework has also been presented to officers at P1 position level in Agencies based in Thimphu, MoF, Punakha and Wangdue Phodrang Dzongkhag Administrations. Most recently, the RCSC has shared this framework with other relevant Agencies (MoH, MoLHR, MoF, MoWHS, MoE and NCWC) to receive their feedback for its improvement. The Government has also indicated in the media their strong support to these initiatives, which will be launched following the necessary consultations and endorsement by the Cabinet.

2.6.2 Internal Re-organisation within the RCSC Secretariat

In order to carry out its functions effectively as well as spearhead the reforms, the Commission found the need to enhance the capacity of the RCSC, which was made up of four divisions that had a total of 43 officers and 39 staff. A close review of the functioning of the two main divisions, the HRM Division and the HRD Division, which together has 13 officers and 12 support staff, revealed that 9 officers, most with Masters, were undertaking routine administrative tasks of promotions, trainings and transfers, which could easily be performed by the support staff (with some training). Therefore, these two divisions were re-organised such that the numbers of officers were reduced to 2 in HRMD and 2 in HRDD, with the responsibility of supervision, while the actual tasks were performed by the support staff, who were trained in-house for two days. As a result, a total of 9 officers were freed up, who now spearhead the reforms and/or are working in the new divisions. This translates into a 23% bandwidth expansion in RCSC (this also reveals potential for such managerial innovation gains if proper exercises are undertaken throughout the system). The RCSC is currently staffed by a total of 84 employees: 1 executives, 46 officers, 25 staff at Supervisory & Support category, 11 staff at Operational category and 2 ESP/GSP staff.

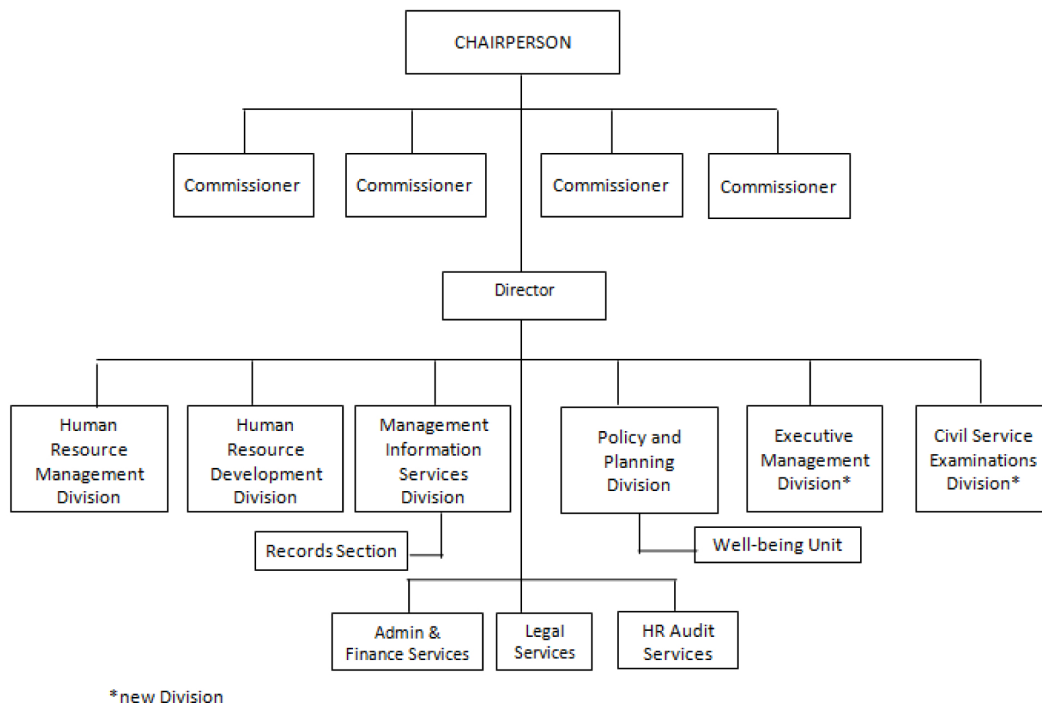
Further, to carry out the above reforms effectively and to develop a holistic view of issues within the Agencies and avoid compartmentalised view, each Commissioner is assigned the responsibility to look after certain number of Agencies and programmes under the overall leadership of the Chairperson. The Members of the Commission also lead specific reform areas based on their expertise and experience. The Terms of Reference of the Members of the Commission are also drawn specifying clearly the individual and collective responsibilities.

Therefore, unlike the past, the present organisation structure of the RCSC is a matrix which allows the Members of Commission to oversee the functions of every Division when they deal with the respective Agencies while the Director of the Secretariat will be expected to facilitate and mobilise necessary support through administration, finance, provision of professional support and implementation of policies. The three separate weekly committee meetings namely the HRM Committee, HRD Committee and HR Committee were converged into single HR Committee weekly meetings, thus saving time and also offering integrated solution to Civil Service issues.

In the process of reorganisation, the Commission created/upgraded the following to support the reform initiatives as shown in the organogram below:

- i. created Executive Management Division;
- ii. created Civil Service Well-being Unit; and
- iii. upgraded Exam Services to Civil Service Examination Division (May 2015).

Chart 5: Organisational Structure of the RCSC



2.6.3 New Terms of Reference for HR Officers

The success and efficiency of any agency depends primarily on the effectiveness and efficiency of the employees. It is important to build dynamic and professional civil servants with appropriate education, knowledge, skills, competency, integrity and positive attitude through strategic HRM. To this end, the HR professionals need to play a far more strategic role to support management to improve service delivery. The RCSC first instituted the HR Division in the line Agencies in 2003. The function of the HR Division was, however, limited to administrative process and ensuring compliances to rules, even though the real value add of HR Officers is as a strategic partner that knows how best to use the main resource of any agency, human resources. In fact, it was found that HR Officers were not equipped with a set of skills to enable them to discharge their responsibilities properly and therefore, performance of HR officers varied widely as a result. Yet, to implement and sustain the reforms as well engender a culture of continuous innovation and improvements in the workplace, HR officers will have to play a key and leading role.

Therefore, the role of the HR Officer is being changed in line with David Ulrich’s Four HR Role Model concept. In addition, the role of HR Officer as Integrity Advocate is added since ethics and integrity at workplace is critical for efficient and transparent service delivery. Accordingly, HR Officers shall play the following five roles:

- i. HR Officer as Strategic Partner;
- ii. HR Officer as Change Agent;
- iii. HR Officer as Administrative Expert;
- iv. HR Officer as Employee Champion; and
- v. HR Officer as Integrity Advocate.

The primary objective of developing the new ToR for HR Officer, around which a training will be provided to build the necessary capabilities, is to ensure that HR Division are able to carry out the following strategic roles in an agency toward achieving the organisation's objectives.

- i. Align HR activities with the overall plans and programmes of the agency;
- ii. Ensure capitalisation of change in agency's plans and programmes through proper change management process;
- iii. Ensure continuous improvement of the HR Processes to optimise operational efficiencies;
- iv. Recognise employee's concerns and needs and provide opportunity to enhance employee morale and commitment towards better performance; and
- v. Strengthen organisational integrity through establishment of integrity infrastructure comprising education, prevention and compliance.

Part 3 : Human Resource Management and Development

As the central personnel agency of the Government, human resource management and development are critical functions of the RCSC. Human resource management and development efforts must complement achievement of Agencies' goals and objectives. Significant developments vis-à-vis the core functions of the RCSC are highlighted below.

3.1 Human Resource Management

3.1.1 Staffing

The finalisation of Civil Service HRD and staffing plan was kept on hold, to be informed by the OD Exercise, since human resources cannot be planned prior to clarity of goals. However, with the finalisation of OD Exercise for most of the Agencies, RCSC is now in the process of finalising the staffing and HRD plans. These are already being used to guide recruitment for 2015 and will also be used to guide recruitment in the coming years as it will contain projections for the next 5-7 years. It will also be shared with Agencies, particularly the RUB, MoLHR to provide an idea of employment opportunities in the Civil Service.

3.1.2 Recruitment

During the reporting period, a total of 1,174 civil servants were recruited in various categories of positions. Of the total civil servants recruited, 57% were under Professional & Management category while executives represent only 0.2% of the total civil servants recruited.

Table 12: Recruitment by Position Category

Sl. No.	Position Category	Total	Percentage
1	Executives and Specialist	2	0.17%
2	Professional and Management	578	49.23%
3	Supervisory and Support	553	47.10%
4	Operational	41	3.49%
	Total	1,174	100.00%

Box 2: Teacher Recruitment

As the largest group in the Civil Service, recruitment trends in education sector have the biggest impact on Civil Service size. Therefore, a thorough teacher requirement analysis was done which showed that teacher requirement was getting close to the maximum, especially with efficiency in deployment. This raised the need for careful planning for further intake, to ensure that there is required flexibility to respond to changes on the ground, i.e., balance between regular and contract recruitment, while ensuring that there is room for the best and the brightest to join this important occupational group every year. Consequently, in a marked deviation from the past years, only 182 out of 417 B.Ed. graduates were recruited as regular employees while 200 were recruited on contract.

3.1.3. Promotion

During the reporting period, a total of 4,717 civil servants received various categories of promotions. Of the total civil servants promoted, 61% of the civil servants were under Professional & Management category while executives represent only 1% of the total civil servants promoted.

Table 13: Promotion by Position Category

Sl. No.	Position Category	Total	Percentage
1	Executives & Specialist	58	1.23%
2	Professional & Management	2,870	60.84%
3	Supervisory & Support	1,583	33.56%
4	Operational	206	4.37%
Total		4,717	100.00%

3.1.4 Transfers

Civil servants, particularly those in the vulnerable groups, are required to be transferred periodically. During the reporting period, a total of 1,886 civil servants were transferred under various position levels. Of the total civil servants transferred, 65% of the civil servants were under Professional & Management category while executives represent only 0.3% of the total civil servants transferred.

Table 14: Transfer by Position Category

Sl. No.	Position Category	Total	Percentage
1	Executives and Specialist	6	0.3%
2	Professional and Management	1,224	65%
3	Supervisory and Support	620	33%
4	Operational	36	2%
Total		1,886	100%

3.1.5. Separation

A total of 479 civil servants were separated from the Civil Service by different categories of separation as shown in Table 15 below. Voluntary resignation accounts for over 50% of all separation, mainly from the Professional & Management category. This is a source of concern. Separation through the ERS, which is an avenue to allow low/non-performing people to leave, is still very low, showing that the scheme is not serving its purpose.

Table 15: Separation by Types

Sl. No.	Separation type	Total	Percentage
1	Voluntary Resignation	242	50.52%
2	Superannuation	98	20.46%
3	Contract Termination	53	11.06%
4	Early Retirement Scheme	40	8.35%
5	Death	27	5.64%
6	Compulsory Retirement	13	2.71%
7	Termination	5	1.04%
8	Special Early Retirement	1	0.21%
Total		479	100.00%

3.1.6. International Volunteers in Bhutan

The use of international volunteers has augmented shortages of skills and experience in certain highly technical and professional fields in the Civil Service. They remain an extremely important resource besides promoting Bhutan's relations with its development partners. Currently, there are 70 international volunteers in Bhutan on time bound contract as detailed below:

Table 16: International volunteers in Bhutan

Sl. No.	Programme	Total No.
1	Japan Overseas Cooperation Volunteers (JOCV)	Sr. Volunteers (SV): 22 Jr. Volunteers (JV): 14
2	Australian Volunteers for International Development (AVID)	8
3	Bhutan Canada Foundation (BCF)	20
4	Friends from Thailand (FFT)	6
Total		70

3.1.7 Civil Service Re-organisation

Delinking of Jigme Dorji Wangchuck National Referral Hospital from MoH

From a central dispensary in 1969, JDWNRH today is a 369 bedded National Referral Hospital and a teaching hospital for Khesar Gyalpo University of Medical Science of Bhutan (currently offering residency in five specialisations). The hospital employs more than 1,050 staff, which is around 30% of the total health workforce in the country.

The RCSC during its 9th Commission Meeting held on 19th August, 2014 reviewed the proposal on delinking of JDWNRH from the MoH and conveyed the approval vide letter no RCSC/HRMD/7/2014/674. The hospital was granted functional autonomy with employees to continue as civil servants governed by RCSC, parenting with the Ministry and decentralised administration and budget to improve operational efficiency. The autonomy allows JDWNRH to plan the future of the hospital, utilise its revenue earnings, and is expected to facilitate

quicker decision-making in terms of procurement/maintenance of equipment and managing patient referrals but remain aligned and accountable to the national health policy. The hospital and the Ministry will work together through an MoU.

The operational management of the hospital is under the President who is accountable to the Governing Board, supported by the Director, Medical Superintendent and Nursing Superintendent. The hospital also has a Hospital Management Committee that meets every second week. The hospital is clinically organised into 18 clinical departments managed by senior doctors as head of departments.

Bifurcation of Department of Civil Aviation into Department of Air Transport and Bhutan Civil Aviation Authority under MoIC

One of the key OD recommendations from the MoIC was to separate the aviation regulatory functions from the policy and execution functions, both of which were embedded in the Department of Civil Aviation. While the establishment of the BCAA was already approved by the Cabinet, its implementation was kept in abeyance awaiting validation from OD Exercise. Subsequent to the completion and vetting by the OD Exercise on 27th March, 2015 RCSC approved the bifurcation of Department of Civil Aviation into Department of Air Transport and BCAA.

Delinking of Department of Curriculum Research and Development from MoE and Merger with Royal Education Council

The DCRD was established as Curriculum and Textbook Development Division in mid 1980s under the Directorate of Education and later renamed as Curriculum and Professional Support Division with an added responsibility to provide professional support service related to curriculum implementation. In November 2010, it was upgraded to a Department named as DCRD.

REC was established through a Royal Command in August 2007 to initiate and implement education reforms across the entire spectrum covering school, technical and tertiary education. In 2010, the former government issued an executive order that allowed it to function as an autonomous research organisation with academic freedom, autonomy over human and financial resources but under the oversight of the government.

Given the commonality of the mandates, the REC and DCRD were merged as REC through a Government Order No.C-2/54/601 dated 12th December 2014. The new REC with the mandate to deliver national curriculum will function as an autonomous agency under RCSC. The delinking was endorsed by the Commission after reviewing its best fit through the Agencification framework and OD Exercise. The Director of the erstwhile DCRD was appointed as the Director. As the entry into the Civil Service (Professional & Management) is only through BCSE, the Commission did not regularise the services of the erstwhile REC staff.

3.2. Human Resource Development

Development of HR skills and qualifications is critical to deliver quality and professional services in order to achieve organisational goals. Towards building HR capital in the Service that is dynamic and more responsive to change, the RCSC has implemented 781 long-term training slots during the last 14 months as detailed in Table 17 below. The majority of ex-country HRD investments are for Masters degree and in-country HRD investments are for Bachelors degree.

Table 17: Long-term training by qualification

Sl. No.	Level	No. of civil servants undergoing courses		
		Ex-Country	In-Country	Total
1	Ph.D	6	0	6
2	Masters	270	107	377
3	P.G Diploma	1	25	26
4	Bachelors	22	312	334
5	Diploma	20	1	21
6	Certificate (< 6 months)	17	0	17
Total		336	445	781

3.2.1 Four major programmes for HR Development

a) GoI PTA

Nu. 600 million has been allocated for HRD for the 11th FYP. GoI is the largest donor towards HRD. Most of these resources will be used for the new strategy to focus on job-specific short-term trainings to professionalize the Civil Service. Till date, a total of Nu. 159.995 million has been received for which an implementation plan is being drawn. The support will be spread among all the Government Agencies. The report on the implementation status is submitted every month and utilisation certificate is submitted quarterly to the GNHC.

b) Nehru-Wangchuck Scholarship

The first MoU for Nehru-Wangchuck Scholarship was signed on 19th June 2009 for a period of five years with budgetary support of Nu. 10 million every year. In June 2014, following the visit of the Honourable Prime Minister of India, the MoU was renewed for another five years with revised budget allocation of Nu. 20 million every year. Further, to make the scholarship more prestigious and attractive, candidates are sent to prestigious institutes and the stipends has been doubled. However, the number of slots has been reduced. The award committee (comprising of members from Indian embassy, RCSC, MoLHR, MoE and MoFA) meet as and when required.

c) Australia Awards Scholarship

Bhutan has been receiving about 40 to 45 scholarship slots for post graduate degrees since 2007, based on the critical needs identified by the RCSC, as support for HRD from the Australian Government. After the Government of India, Australia provides the largest support towards HRD of the Royal Government.

d) TICA Scholarship

An MoU was signed in 2005 for a duration of three years and is renewed continuously. Under the MoU, HRD support/assistance is provided in terms of scholarship slots (about 270 slots in three years) for both post graduate degree and short term training programs. 20 post graduate

degree scholarship slots have been received for 2015 to 2016. A Joint review meeting is held every year held alternatively in Thailand and Bhutan.

3.2.2 Royal Audience

His Majesty the Druk Gyalpo graciously granted Royal Audience to 43 civil servants who were selected to undergo ex-country long-term training during the last 14 months. This is of great significance and a source of deep motivation and joy for civil servants going to study abroad. There cannot be a more powerful way to remind civil servants of the purposes of their studies and training. The Commission remains deeply grateful for this rare opportunity and honour.

3.3 Bhutan Civil Service Examination

A total of 3,305 graduates initially registered online for BCSE-2014 of which 2,892 actually appeared for the preliminary examination conducted in August, 2014. Only 1,245 graduates qualified for the main examination after the Commission decided 50% as the cut-off point. However, only 1,190 graduates appeared for the main examination of which 381 graduates were selected based on the requisition submitted by the Ministries and Agencies and the approved staffing as shown below:

Table 18: Graduate recruitment through BCSE

Sl. No.	Category	No. of graduates selected
1	PGDPA	36
2	PGDFM	36
3	PGDE	104
4	Technical including PGDNL	205
Total		381

Similarly, BCSE for B.Ed graduates was conducted in January 2015 period. Out of a total of 417 registered graduate candidates, 182 were recruited as regular civil servants. Until last year, recruitment was 100% but as a result of rationalisation and more efficient deployment, requirements are expected to stabilise around these numbers. The cost to recruit a graduate into the Civil Service for the year 2014 was around Nu. 16,320.

3.3.1 Exemption of Preliminary Examination for Medical and Dental Graduates

The objective of the preliminary examination is to shortlist graduates for the main examination by testing their minimum competency. As there was a large requirement for MBBS and Dental graduates than the actual supply, the Commission decided to exempt the graduates with MBBS and Bachelors in Dental Surgery degrees from appearing preliminary examination in 2014. However, these graduates were still required to appear the main examination for the purpose of merit ranking for selection and placement. This practice may continue as long as there is a huge mismatch between the demand and supply and in areas where there is a more competent body to attest to their professional competency such as the Bhutan Medical and Health Council for the medical profession.

3.3.2 Doing away with Certificate of Eligibility

The RCSC used to issue the certificate of eligibility for candidates in general category who meet the cut-off percentage of the BCSE main examination result but were not selected, for possible recruitment by Agencies to S1 position level. This certificate was valid for two years. However, it was observed that there were no such recruitments actually taking place. On the other hand, it was giving false hopes to candidates especially for in-service candidates availing CE but not making it through BCSE. Furthermore, with the present reforms allowing entry into the Professional & Management category through the BCSE only, the Commission decided to do away with issuing the certificate of eligibility to graduates starting BCSE 2014.

3.3.3 Conducting Preliminary Examination in different regions

Graduates register online for preliminary examination which is accessible from any part of the world. Preliminary Examinations consists of one question paper of 3 hours' duration.

In order to provide options to appear preliminary examination in another location, Monggar was selected based on availability of suitable facilities necessary to conduct the preliminary examination. Among others, it could be helpful to students who live far from Thimphu as well as reduce youth related issues and problems in Thimphu. This option was subject to a critical mass.

However, it has been found that only less than 100 graduates selected the option to appear preliminary examination in Monggar. Since this did not meet the critical mass criteria, the plan to conduct preliminary examination in two locations in 2015 did not materialise. Going forward, such options will continue to be explored and provided.

3.3.4 Enhancing Security of BCSE Question Papers

The BCSE is a high stake examination where graduates compete for the limited employment opportunity in the Professional & Management category of the Civil Service. Therefore, in order to strengthen the process, the RCSC decided to make multiple question paper sets for preliminary examination and main examination for general category (BCSE 2015). These sets of paper will not be known to anyone outside a small dedicated team. The Commission selects one set of paper, by roll of dice, to be used for the particular year. The question setters are chosen based on their qualification, professional experience, integrity and express consent, and their identity kept confidential from all. This is intended to enhance the integrity of the BCSE question papers.

3.3.5 Expected changes in BCSE in future

The RCSC has engaged the Centre for Bhutan Studies and GNH Research to review the existing BCSE and recommend improvements, including the training course module for Postgraduate Diploma in Public Administration provided by RIM. This is expected to be completed by the end of 2015.

3.4 Civil Service Information System

As the central personnel agency of the Royal Government, the RCSC maintains records of all civil servants. Accurate, comprehensive and up-to-date information on civil servants are of

paramount importance for all executive decisions on human resource issues. Therefore, the Royal Government in general and the RCSC in particular have always placed high priority on accuracy and comprehensiveness of Civil Service information. The RCSC has begun making all out efforts to bring the CSIS up to date. The RCSC has conducted nationwide information correction exercise in all 10 Ministries, 20 Dzongkhags, 4 Thromdes and 30 Autonomous Agencies from August to November, 2014. During the information correction process, a total of 8,388 individual CVs were corrected and the overall web-based Civil Service Information System data has been refined by registering those who have been missed out from the system and segregating those who have been separated but still reflected in the system (165 individuals).

In December 2014, information was sent out- both in the mass media and by SMS broadcast to all civil servants, informing them that it is their responsibility to ensure their CV is accurate and up to date and therefore, to view their CVs and provide “assurance on accuracy of CV”. With only 7,030 (30%) respondents, a notification was issued for reinforcement and compliance. However, the information as on 30th June, 2015 was 67.08% accurate. A total of 22,168 of the 25,588 regular civil servants have already responded to the assurance system (Yes = ‘17,165’ and No= ‘5,003’). The target is to achieve 95% level accuracy by 30th June, 2016. Thereafter, the RCSC will be able to maintain atleast 95% accuracy as civil servants are now required to provide assurance of CV accuracy as part of the Performance Evaluation Ratings as well as other HR actions such as promotions and trainings.

The CSIS enhancement work is also underway to bring “intelligent features” to the CSIS and streamline HR processes, make provisions for individual civil servants to correct personal information through the web-based CSIS, and incorporate additional monitoring reports in the form of message pop-ups, email/SMS reminders and notification panel. Further, the enhancement work also focuses on development of Application Program Interface to integrate CSIS with the shared systems such as Census Information System for decentralised recruitments and BCSE systems. The CSIS has been efficiently integrated with the Audit Clearance System, which ensured compliance and uniform application of rules and regulations.

The RCSC website was also enhanced to improve outward aesthetics, make it more mobile friendly, and increase usability. The online HR Forum provides an interactive platform for HR personnel across Civil Service Agencies to discuss issues, exchange ideas and clarify doubts. Additional works are being undertaken to improve management information system of the Civil Service records and thereby use of such information for effective monitoring and planning purposes. A dzongkha version of the website was also launched in August this year (<http://www.rcsc.gov.bt/dz/>).

3.5. Human Resource Auditing

The HR Audit was instituted in 2012 as per the CSAB 2010. Till date, HR Audit was conducted in 12 Agencies including Ministries, Agencies and Dzongkhags. From July 2014 to June 2015, HR Audit was carried out in the MoFA and NEC.

Table 19: The summary of the HR actions audited

Agencies	Recruitments	Promotions	Trainings	Type of Observation	
				Major	Minor
MoFA	25	93	81	5	20
NEC	11	15	236	0	10
Total	36	108	317	5	30

HR Audit findings are based on the compliance with the CSAB and BCSR. Some of the major observations made during HR auditing are:

- promotion granted to civil servants without meeting the performance and duration criteria;
- direct nomination made for ex-country training without routing through HR Committee;
- change in MOG without approval from the RCSC; and
- absence of guidelines for posting to Embassies, Missions and Consulates.

The minor observations mostly include the procedural lapses and do not have much implication on the HR actions carried out such as poor documentation, not meeting the minimum quorum of interviewer, wrong performance evaluation form used, irrelevant trainings availed, and records of meetings not maintained.

Since the reforms will introduce a number of changes, until the reforms are over, HR Auditing will not be undertaken in Agencies. Thereafter, the HR Audit will be strengthened and will be one of the most important exercises undertaken periodically by the RCSC to ensure that HR actions are done in compliance with the BCSR and the CSAB.

3.6 Royal Civil Service Awards

3.6.1 Civil Service Day

The 106th National Day was a landmark for the Civil Service as it was on this auspicious day that His Majesty the Druk Gyalpo granted, for the very first time, the Royal Civil Service Awards to over 13,810 civil and public servants.

The RCSC on His Majesty's command institutionalised the Royal Civil Service Award to recognise, reward and motivate civil/public servants for their dedicated service to the Tsa-Wa-Sum. The four categories of awards are:

- Lifetime Service Award;
- Gold, 30 years and above;
- Silver, 20 years and above; and
- Bronze, 10 years and above.

The institutionalisation of the award by His Majesty the Druk Gyalpo was uplifting for all civil servants and was widely and deeply appreciated. There can be no greater recognition for civil servants and this has come as a deep source of motivation and inspiration to work ever harder for the Tsa-wa-sum.

During the Awards, His Majesty stated that “There is hardly any time for complacency as we need to surmount several challenges our country faces. While addressing these challenges, civil servants have an indispensable role to support the government. Hence the award is not only to thank our civil servants. It is also to repose our trust and confidence that they will work even harder.”

His Majesty also said the Governments would change with time. “At the end, a compact, efficient and strong Civil Service is the key to ensure the nation’s present and future welfare, security and people’s wellbeing. I urge all our civil servants to work harder than ever in the service of our nation.” (Source Kuensel: 106th National Day Address in Changlimithang)

Since the institutionalisation of the Royal Civil Service Award on 17th December, 2013, it has been marked as a “Civil Service Day” to recognise and celebrate the Civil/Public Service and their contribution to the country’s development.

3.6.2. Civil Service Awards 2014

On 17th December, 2014, coinciding with the 107th National Day celebration, a total of 4,501 civil and public servants were conferred the Royal Civil Service Awards for their lifetime and dedicated service to the Tsa-Wa-Sum. His Majesty the Druk Gyalpo granted Royal Audience to 75 superannuated civil servants from six eastern Dzongkhags for their lifetime service to Tsa-Wa-Sum during the National Day celebration held at Kanglung, Trashigang. Such recognition from the highest levels not only gave a deep sense of fulfillment to the retired civil servants but also have an equally powerful motivating effect on the rest and thus, the Commission remains deeply grateful to His Majesty for this and all other kind considerations shown to the Civil Service.

Furthermore, for the large number of civil servants who had already superannuated before the introduction of these awards, but are still living, upon His Majesty’s Command, they were awarded the Lifetime Service Award. Many were present at the National Day Celebrations in Kanglung. They deeply appreciated the award and were proud to be recognised for the lifetime of service they had given. The Lifetime Service Award Medal was also made part of the superannuation ceremony from July 2014, thereby creating an occasion to recognise a civil servants lifetime of contribution and enable them to leave the service with proper recognition and in dignity.

Table 20: Summary of Royal Civil Service Awards-2014

Sl. No.	Category of Awards	civil servants	public servants	Total recipients
1	Lifetime Service Award	270	33	303
2	Lifetime Service Award (Past 25 years)	268	0	268
3	Gold (≥ 30 years of service)	285	46	331
4	Silver (≥ 20 years of service)	587	175	762
5	Bronze (≥ 10 years of service)	2,421	416	2,837
Total		3,831	670	4,501

His Majesty the Druk Gyalpo also granted teacher recognition award to 71 teachers. The teacher recognition awards are granted for: i) excellence in teaching; ii) excellence in leadership and management; and iii) service in remote and difficult areas. Dasho Chhewang Rinzin, a Civil Service executive on secondment serving as Managing Director of Druk Green Power Corporation was awarded the Druk Khorlo Medal as a recognition and acknowledgement of his contributions, especially in the power sector. The RCSC takes great pride and satisfaction in these prestigious recognition.

3.7 Key Findings and Issues in Human Resource Management and Human Resource Development

3.7.1 Unchecked Growth of Civil Service

The Civil Service has been growing at an alarming rate especially since 2008 without proper plan and long-term perspective on recruitment. If continued, this could seriously undermine the policy of maintaining a “small, compact and efficient” Civil Service. Therefore, the OD Exercise will be used to determine the “right size” of the Civil Service and the RCSC will use this to check further growth. In a number of sectors, such as teaching, health, agriculture, forest, etc. standards have been developed that will be used as a basis for determining human resource requirements.

3.7.2 Lack of adequate HRD budget

The Government of India is the largest donor to HRD, with a plan outlay of Nu. 600 million against Nu. 2 billion HRD budget projected for the 11th FYP. From July 2014 to June 2015, Nu. 61.581 million has been committed through the Project Tied-Assistances (PTA) and Nehru-Wangchuck Scholarship of the Government of India. In addition to this, the RCSC received a total of 166 slots in the forms of scholarships through various donors as detailed below:

Table 21: Scholarships Implemented as on 30th June, 2015

Sl. No.	Scholarship	No. of slots annually
1	TCS-Colombo Plan: i. Indian Forestry Service course ii. Indian Administrative Service course iii. Indian Revenue Service course (Tax & Customs) iv. Indian Accounts & Audit Service course	2 3 10 2
2	Australia Awards	29
3	RGoB-RIM	20
4	Trongsa Penlop	5
5	Thailand International Cooperation Agency	20 (full scholarships & 30 cost sharing scholarships)
6	Korea International Cooperation Agency	33 (short course)
7	Fulbright	1
8	International Visitors Leadership program	6
9	Hubert H. Humphrey	2
10	Monbukagakusho: MEXT	2
11	Institute of Developing Economies Advanced School (IDEAS)	1

The above statistics show that there is a need to set aside more domestic resources for priority/strategic HRD needs that is critical and thus should not rely on availability of donor funding. A start has been made with resources set aside to send two civil servants for PhD in Economics to reputed institutions in the current fiscal year so that we can build a team of competent economists in the key economic Agencies. The subject for their doctoral thesis will also be decided based on actual economic challenges in the country so that their study can be used as inputs in critical policy areas. Similarly, resources will also have to be set aside for the mandatory trainings that the RCSC is introducing to make sure civil servants in critical areas are provided the required competencies in a systematic manner, such as the Bhutan Executives Services Training at the RIGSS and ex-country training.

Further, there is an urgent need to develop systematic job-specific training across key positions of the Civil Service as it is found to be the most cost efficient way to enhance professionalism. In line with this thinking, Nu. 100 million of the GoI support has been allocated to Agencies for such purposes in the coming year. The trainings will cover areas as diverse as HR Officers (competencies for the new ToR) to engineers, customer relations, telephone operators, office management, etc. so that minimum performance standards can be assured throughout the Civil Service. These trainings will not only provide relevant skills but also prepare civil servants to be more citizen-centric, service oriented and courteous in their interaction with the public as they are, for the majority of the population, the face of the Government.

3.7.3 Continuing Education for a First Degree

Continuing Education for a first degree was a necessary strategy when there was shortage of civil servants with required educational qualifications. However, with the increasing pool of graduates in most fields, CE for a first degree is found to be unnecessary. Many of the candidates pursue CE with the hope that they will be placed at higher position levels in the organisations. However, the majority are not able to make it through the BCSE (as shown in table 22 below). This becomes a source of frustration to the individuals as can be seen from the media, while imposing significant financial burden on the national exchequer - over Nu. 850 million to date. In addition, it hampers the delivery of services and also puts pressure for more recruitment. Therefore, study leave with pay and grant of study leave was revised in September 2014 so that those wishing to upgrade and pursue a first university degree will have to do so at their own costs, but will have the benefit of job protection.

Table 22: Status on CE for the in-service Bachelor Degree

Sl. No.	Ministry/Agency	No. of CS who completed their in-service BD (2006-2013)	No. of CS who qualified in BCSE
1	MoAF	195	56
2	MoH	39	24
3	MoWHS	102	37
4	General graduates (Excluding MoE)	236	12
Total		572	129

3.7.4 Alignment and Monitoring of Scholarships

It has been found that alignment and monitoring of scholarships is not streamlined. Therefore, RCSC as the central personnel agency of the Government is already initiating some measures to address such issues. Some initiatives include:

- networking with the Department of Adult and Higher Education, MoE on the alignment of undergraduate scholarships to priority needs of the Government;
- representation of the RCSC in the Tertiary Education Board and Accreditation Council;
- interactions with the education and training institutions on the actual HRD needs of the Civil Service;
- improvement in the orientation program for the candidates who are awarded scholarships by outlining clear expectations from them;
- regular progress reporting of candidates pursuing studies through various scholarships;
- imposition of stronger penalties for candidates not complying with the rules and regulations of scholarships; and
- encouraging students to join Bhutanese Students Associations to create esprit de corps among the Bhutanese and celebrate national events together.

The RCSC officials will make periodic visits to those institutions where Bhutanese students are studying, especially coinciding with other official visits.

3.7.5 Training not aligned to complement the achievement of organisational goals

Many of the training programmes are not well aligned to the need of Agencies and therefore fail to achieve the intended targets. This is being minimised through alignment of goals under the OD Exercise and rationalisation of capacity development needs of employees, PMS and human resource auditing. The priority will be to ensure that HRD and training lead to further specialisation/professionalisation. Attention will also be given to ensuring that people with specialised skills are utilised properly.

3.7.6 Stagnation Issues

A large number of civil servants at the Supervisory & Support category face stagnation early in their careers, leading to frustration and poor performance. This will be addressed through the BCSS reforms.

3.7.7 Parenting Issues

Based on the past practice, most Ministries are parenting civil servants in their functional areas across the Civil Service Agencies. These Parent Agencies are mainly involved in the development and transfer of professional staff. As a result, working Agencies such as Dzongkhags express concerns that they have little or no control over their staff. There are also concerns that some positions especially at the local level are not fully utilised since such positions are decided by the Parent Agencies rather than by the Dzongkhags who would actually be in a better position to articulate their own needs. This issue is being addressed by reviewing the roles of Parent and Working Agencies and that of the RCSC as the central personnel agency of the Government.

3.7.8 Extraordinary Leave

On an average, a person serves more than 30 years in the Civil Service until they reach superannuation age. EOL during this long duration of service is necessary. However, it could become a matter of concern when it affects service delivery, such as when a large number of civil servants avail EOL at the same time and it is difficult to find timely replacement. Today a total of 355 civil servants are on EOL as on 30th June, 2015 and majority are from the Professional & Management category. The Commission is looking at fixing a ceiling on the maximum number of civil servants who can avail EOL in a particular agency at a given time.

Part 4 : Administrative Actions

The CSAB 2010 has the following provisions on Administrative matters:

- Section 27 (n) – “The Royal Civil Service Commission as the central personnel agency of the Government shall exercise general disciplinary control over civil servants through the enforcement of all rules, regulations and relevant laws”;
- Section 79 – “Completion of a criminal trial or civil suit against a civil servant in a court of law shall not preclude the Disciplinary Committee from exercising jurisdiction under this Act.”
- Section 85 – “A civil servant shall be terminated from service if he or she is convicted by the court of law for a criminal offence of misdemeanor and above for offences related to discharge of official functions.”

Therefore, during the reporting period, of the 14 civil servants prosecuted before the Court of Law, the respective Agencies had taken administrative actions ranging from demotion to termination against all 14 civil servants.

Further, based on the delegation of authority, and as per RCSC’s record, the Agencies through respective HR committee have taken administrative actions against another 22 civil servants.

The RCSC was also involved in a high profile case in which the Government “surrendered” and leveled serious charges against three Government Secretaries. This was without precedent. In all other administrative cases, the Agencies – through the HR Committee - have been delegated powers to take administrative actions.

Section 19.2.6 and 19.2.7 of the BCSR 2012 provides the delegation of authority to impose penalty on civil servants. Section 19.2.7 states that notwithstanding 19.2.6.1, the powers to impose both minor and major penalty on a Secretary to the Government, other officers of Secretary’s rank, and Head of the Autonomous Agency shall be exercised by the RCSC.

In this case, since the charges were leveled against the Government Secretaries, the RCSC had to take the necessary actions, starting with the investigations. Accordingly, the RCSC intervened. The RCSC informed the Government that civil servants cannot be “surrendered” but recognised that under such circumstance, the continued presence of the accused in the workplace would be detrimental to a harmonious working environment. At the same time, the RCSC also recognised that until an investigation is undertaken, it would not be fair or proper to “suspend” the three Government Secretaries. Therefore, the RCSC placed the three Government Secretaries on “Authorised Absence”.

Following the investigations, the RCSC found that the three Government Secretaries had acted in good faith and cleared them of all the 18 charges. However, the RCSC found that the three

Government Secretaries had committed serious procedural lapses and shown poor judgment in the matter. Since Government Secretaries are the topmost bureaucrats and thus must be held to higher levels of accountability, a “major penalty” of reassignment was imposed. Currently two of the Government Secretaries are on the Waiting List awaiting reassignment, one having superannuated.

4.1. Appeal of Administrative Disciplinary Actions

The RCSC, as an Appellate Authority, has received a number of appeals ranging from recruitment into Civil Service to administrative actions taken by respective Agencies. In making such appeals, the Agencies and the civil servants are exhausting their legal rights as per the provisions in the Constitution, the Civil Service Act of Bhutan and the BCSR. Therefore, the number of appeals is likely to increase in the future, demanding more time and capacity of the Legal Services in the RCSC Secretariat. Also, the Constitution requires establishment of an Administrative Tribunal, which is yet to be established, to receive appeals against the decision of the RCSC.

Some of the appeals received and action taken by the RCSC include the following:

- i. The RCSC received an appeal from the Legal Officer, ACC pertaining to the ACC’s decision to compulsorily retire her from Civil Service for not improving her performance and sharing confidential documents with unauthorized people. The RCSC thoroughly reviewed the case and found that allegations made by ACC were all true and that as a civil servant, she had breached several provisions of the Civil Service Act of Bhutan and the BCSR. The RCSC decided to uphold the decision of the ACC.
- ii. The Legal Officer, ECB appealed to the RCSC to include him as a civil servant. The RCSC thoroughly reviewed the appeal and it was found that he had dishonored the directives of RCSC on his initial appointment as Legal Officer of Samdrup Jongkhar Thromde. In view of this, the Commission decided that he cannot be re-appointed in the Civil Service.
- iii. The Dy. Chief Administrative Officer, MoLHR appealed to RCSC pertaining to the decision of the NLCS of compulsorily retiring him from the Civil Service. The RCSC thoroughly reviewed the case and found that his claims were not valid. The decision rendered by NLCS was as per the provisions of CSAB 2010 and the BCSR 2012, and, therefore, the Commission upheld the decision rendered by the NLCS. At the same time, the individual had taken the case to the court. The District Court passed a judgment reversing the decision of the NLCS and RCSC. The High Court upheld the District Courts decision, in a subsequent appeal. The case is currently with the Supreme Court. The case is significant for the RCSC as it will set a precedent.

- iv. The Dzongkhag Health Officer (DHO), Dzongkhag Administration, Trashigang appealed against the RCSC decision revoking her appointment as DHO. The Commission revoked her appointment as DHO based on the submission made by the Exam Services that the RIHS had made a calculation error on her Mark Sheet statement. The Commission decided to uphold its decision and reverted her to her previous position.

Part 5 : Networking and Linkages

It is important that the RCSC maintains a good network with other Civil Service Commissions and HR organisations with the objectives to learn and share the best practices for mutual benefit.

- i. A new MoU was signed, during the visit of the Indian President Shri Pranab Mukherjee between the Indian Institute of Management, Ahmedabad and RCSC on 2nd September, 2014 at the RCSC, Thimphu for a period of three years starting 3rd September, 2014. The areas of cooperation identified are sharing resources and expertise to develop specific programmes for education, training and institution building towards inclusive and well-integrated public administration.
- ii. A new MoU was signed between the Office of the Civil Service Commission, Thailand and the RCSC, on 26th November, 2014 at the RCSC, Thimphu for a period of three years starting from 3rd May, 2015. The areas of cooperation identified are joint training, exchange of scholars, consultancy services and study visit in the fields of human resource development and management.
- iii. RCSC is in the process of renewing MoU with the Union Public Service Commission of India and with TICA which provides scholarships to the Bhutanese. The Nehru-Wangchuck Scholarship, which was instituted on 19th June, 2009 with the signing of the MoU for five years between the Government of India and the Royal Government of Bhutan in Thimphu, ended in June, 2014. The MoU was renewed for another five years from June, 2014. Significant changes were made to the scholarships under the new MoU in terms of the selection of the institutions as well as the stipend provided, so that the best and brightest civil servants would be encouraged to apply for it.

The RCSC is also working closely with the RIGSS. The RCSC will be looking to use RIGSS for all leadership development training requirements of the Civil Service. A solid start has already been made with the launch of the Bhutan Executive Services Training (BEST) that was tailor-made for the Civil Service executives. The RCSC looks to expand this partnership so that more civil servants can avail mandatory leadership training at RIGSS, including early in their career – nurturing and grooming, especially for those in the administration and management groups.

In order to strengthen the institutional linkages of the RCSC with institutions abroad, the Commission attended the following institutional visits, meetings and conferences:

- i. Chairperson and Commissioner Kesang Deki attended the 4th Meeting of the Chiefs of the Public/Civil Service Commission of SAARC Member States from 22nd - 24th January, 2015 at Dhaka hosted by Bangladesh Public Service Commission. The meeting decided that the 5th Meeting of the Chiefs of the Public/Civil Service Commission of SAARC Member States in Thimphu, 2016 and shall be hosted by RCSC.

- ii. Chairperson attended Public Service Excellence and Post-2015 Agenda from 17th – 19th November, 2014 and Action Learning for Public Service Excellence workshop from 20th – 21st November, 2014 in Singapore;
- iii. Commissioner Karma Hamu Dorjee visited ICCIG at IIMA, Ahmadabad, India in January 2015; and
- iv. Commissioner Indraman Chhetri attended the Effective Institution Platform (EIP) workshop in Singapore from 24th April, 2015. RCSC has also applied for membership to the EIP to learn and share the best practices from the region and abroad.

Part 6 : Key Issues and Challenges

6.1 Keeping the Civil Service Apolitical

The Civil Service is the backbone of good governance and plays the most critical role in the nation building processes. In addition, at the heart of good governance is the role and character of Civil Service. Good governance, good systems and high standards of professionalism in the Service are fundamental to our nation's journey to transform from a young democracy into a vibrant and mature democracy. This requires a Civil Service culture where people discharge their responsibilities professionally, impartially, and apolitically and serve the Government of the day without fear, favour or prejudice.

The RCSC as the central personnel agency of the Royal Government has the responsibility of creating an apolitical Civil Service but thus far, no mechanisms have been put in place to actually ensure that the Civil Service remains so. Consequently, it has become important to provide civil servants the awareness and ability to navigate the new situation where one has to work closely with elected leaders. It has also become important to provide civil servants the protection required to enable them to perform their duties without fear or favour.

Therefore, the Commission will look at ways in which protocols for interaction and communication with elected leaders can be put in place as evidence of their impartial, apolitical, professional advice and which can be used to provide objective basis for RCSC intervention in times of conflict between civil servants and politicians. Explicit policies on record keeping and documentation – hard copies and emails- in relation to interaction with ministerial offices will be put in place. Protocols are also required to ensure that written notes accompany oral briefs and that records of discussions in all ministerial interactions are maintained. The RCSC will use the upcoming Executive Forums to discuss these issues so that the executives, who interact most with ministers and politicians, have clarity on how they should engage. At the same time, having such explicit protocols and policies will also have the effect of creating such awareness among the ministers and politicians, and equally important, their expectations from civil servants.

6.2 Maintaining “Small, Compact and Efficient” Civil Service

Maintaining a “small, compact and efficient” Civil Service has been a daunting challenge for the RCSC since the Civil Service is the single biggest employer of workforce in the country. The Civil Service to population ratio of 1:28 appears large when compared to such ratios of other countries. On the other hand, as a result of the constitutional obligations placed on the government, such as free education and primary health care services as well as basic infrastructure in a rugged mountainous terrain with scattered settlements, optimising human resources will remain a constant challenge. This is further complicated by systems where there is little accountability for excess recruitment or idle people. At the same time, a number of acts cover institutional arrangements, which may not always be optimal. All this show that maintaining a small compact and efficient Civil Service will remain a constant challenge as the mandate rests with the RCSC but decisions leading to Civil Service growth are not with the RCSC alone. Therefore, it will be important for the RCSC to work closely with all the important institutions. The RCSC has raised these issues in a number of meetings and going forward, proposes to do so periodically.

6.3 Corruption in the Civil Service

During the period under review, 38 civil servants have been investigated by the ACC of which 34 were suspended. Another 3 cases were sent to the RCSC for administrative action and one, convicted for misdemeanor, was sent on compulsory retirement. Many of these cases were comprehensively covered by the media, including social media. Notwithstanding the final outcomes of the cases under investigation, there is little doubt that public perception of the integrity and honesty of the Civil Service suffer as a result. As the backbone of good governance, such negative perception is of serious concern for the Commission and effort must be made to reduce such occurrences as this can lead to erosion of public trust.

From the cases, the RCSC is aware that corruption is rife in institutions that provide, among others, through poorly designed processes, rules and regulations, the most rent seeking opportunity ie. positions (many at the Supervisory & Support category) with authority in transactions that involve large financial stakes and dealing with the private sector, wide discretion but minimum supervision, and accountability such as in customs, immigration, constructions, mining, timber extraction, procurement and accounts. Therefore, the RCSC had already begun discussions with the former ACC Chairperson on the need to work together, along with the relevant government Agencies, to address these problems from a systemic perspective. The RCSC looks forward to taking this forward with the new ACC team.

Also, to ensure uniformity of administrative action among the various Agencies on such cases referred by the oversight bodies, the RCSC will work with the ACC and the RAA to develop a common framework for interpretation of penalties and resulting administrative action.

6.4 Independence of the Constitutional Bodies

The Commission found that the issue of independence, in terms of autonomy for financial and human resources continues to be of concern to the ACC as widely reported in the media, discussed in Parliament and raised in their annual report. At present, they continue to work with the RCSC but they have made it clear that this is sub-optimal. Also, the Commission found, as reported by the former Commission in their last Annual Report, that ECB has been taking independent HR actions, which included making their staff choose between being a civil servant with the RCSC or remaining with the ECB. Subsequently, they have taken a number of decisions, including recruitment, without any approval from the RCSC. The present Commission found that this had become possible because they were provided budget.

Going forward, in line with the Constitution and the CSAB 2010, the RCSC hopes to bring their HR actions under the RCSC but through MoUs, provide them greater delegated powers and flexibility to ensure that their HR needs, whether it be recruitment, training, transfers or promotions, are met. Authority in the following areas, however will be retained with the RCSC:

- 1 Staff Strength and Positions – ie. overall staff strength and positions must be approved by the RCSC so that opportunities for multi-tasking etc. are tapped. For instance, informal feedback is that many election officers in Dzongkhags have very little work;
- 2 Recruitment into the Professional & Management category – to uphold the integrity of selecting the best and brightest into this category by ensuring all are selected through the BCSE only;
- 3 Meritorious Promotions – Since this has a bearing on succession planning as well as the need to ensure uniformity across the Civil Service, the RCSC will work closely with the Constitutional bodies but retain the final authority; and
- 4 Administrative Recourse – As the parent agency for all civil servants, an important role of the RCSC is to ensure that all civil servants enjoy a fair hearing before extreme HR actions such as separation, demotion, etc.

Outside of the above, through an MoU, the RCSC is ready to provide the necessary latitude the important Constitutional Bodies require.

6.5 Civil Service Pay Structure

Attracting, retaining and motivating the best and the brightest in the Civil Service, the backbone of good governance, rely to a great degree on pay and benefits. This is decided by the Government based on the recommendation of the Pay Commission. The RCSC plays no role in this but is concerned as pay and benefits, and in particular, the structure, are important for the Civil Service system.

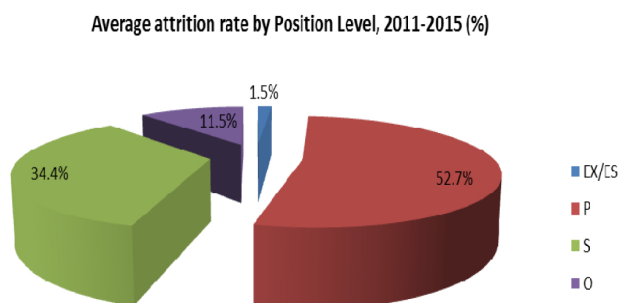


Chart 6: Attrition of Civil Servants

The Civil Service salary compression ratio was as low as 4.91 in 1985. Then, in a significant change, following the consolidation of pay and benefits, the Civil Service compression ratio increased to 9.15 in 1988. Since then it has remained around 6.89 times and is, currently at 6.42 times, at its lowest level with the exception of 1985 when pay was not consolidated. The low compression ratio is likely to be one cause of the higher attrition rate of civil servants working in Professional & Management category. The percentage of attrition (voluntary resignation) of civil servants for the past five years is highest at i) Professional & Management category at 52.7% of total attrition; ii) Supervisory & Support category at 34% of total attrition; and iii) Operational category, 11% of total attrition. The fact is that at low levels of compression ratio, such as the present rate of 6.42 times, the civil servants at lower position category enjoy relatively higher salary and benefits vis-a-vis those at higher position levels, especially when compared to other employment providers in the country such as corporations and private sector.

Establishing a good and competitive salary structure in the Civil Service is fundamental to attracting the best and brightest and to enhance productivity and motivate the civil servants. It is important that the salary structure is aligned to the responsibilities of the various Position Levels. Attrition rates and trends (if they are significant) are a good indicator of whether the pay structure is appropriate or not. Therefore, going forward, it is important that while affordability and the overall financial outlay is left to the government of the day, that the structure of the Civil Service salary structure be informed by the Commission as otherwise, it will be difficult to fulfill its objectives of attracting, retaining and motivating the best and the brightest. The RCSC will proactively pursue this whenever the next opportunity arises.

The following table shows the Civil Service compression ratio since 1985.

Table 23: The Civil Service Compression Ratio since 1985

Position Level	Pay scale (min. pay)							
	1985	1988	1996	1997	1999	2006	2010	2014*
EX/ES 1	2,700	11,900	15,500	18,600	22,350	33,970	45,860	70,948
O4	550	1,300	2,250	2,700	3,250	5,425	6,805	11,057
Rate	4.91	9.15	6.89	6.89	6.88	6.26	6.74	6.42

The Compression rate is the highest CS salary divided by lowest CS salary.

Source: Annex 18 Civil Service Pay Scale Trend, Pay Commission Report 2014, RGoB

* includes HRA

Annexures

Annexure I

Sl. No	Compensation of Employees	2002-2003	2007-2008	2013-2014
1	Compensation of employees as share of total GDP	3.1%	5.1%	5.7%

Compensation of employees as share of total GDP = $\frac{\text{tot. annual salary paid to civil servants}}{\text{Current GDP}} \times 100$

I. Year 2002-2003

Tot. Annual salary paid to civil servants -July 2003(Annex I.a) = Nu. 9, 11,274,300
 Current GDP 2003 (National Accounts Statistics 1990-2004) = Nu. 29,386,000,000

$$= \frac{9,112,743,300}{29,386,000,000} \times 100$$
=3.1%

II. Year 2007-2008

Tot. Annual salary paid to civil servants -July 2008(Annex I.b) = Nu. 2,806,703,880
 Current GDP 2008 (National Accounts Statistics 2008) = Nu. 54,150,000,000

$$= \frac{2,806,703,880}{54,150,000,000} \times 100$$
=5.1%

III. Year 2013-14

Tot. Annual salary paid to civil servants -July 2014(Annex I.c) = Nu. 5,990,204,256
 Current GDP 2013 (National Accounts Statistics 2014) = Nu. 104,378,000,000

$$= \frac{5,990,204,256}{104,378,000,000} \times 100$$
=5.7%

Sl. No	Compensation of Employees	2002-2003	2007-2008	2013-2014
2	Compensation of employees as share of total spending	9.1%	14.25%	17.30%

Compensation of employees as share of total spending = $\frac{\text{tot. annual salary paid to cs}}{\text{tot. spending}} \times 100$

I. Year 2002-2003

Tot. Annual salary paid to civil servants -July 2003 (Annex I.a) = Nu. 911,274,300
 Total spending -both current and capital spending (Annual Financial Statement 2002-03) = Nu. 9,945,319,000

$$= \frac{911,274,300}{9,945,319,000} \times 100$$
=9.1%

II. Year 2007-2008

Tot. Annual salary paid to civil servants -July 2008(Annex I.b) = 2,806,703,880
 Total spending -both current and capital spending (Annual Financial Statement 2007-08) = Nu. 19,693,029,000

$$= \frac{2,806,703,880}{19,693,029,000} \times 100$$
=14.25%

III. Year 2013-14

Tot. Annual salary paid to civil servants -July 2014(**Annex I.c**) = Nu. 5,990,204,256
 Total spending -both current and capital spending (Annual Financial Statement 2013-14)
 = Nu. 34,609,903,000

$$= \frac{5,990,204,256}{34,609,903,000} \times 100$$

 = **17.30%**

Sl. No	Compensation of Employees	2002-2003	2007-2008	2013-2014
3	Compensation of employees as share of domestic revenue	19.00%	12.00%	25.77%

Compensation of employees as share of domestic revenue = $\frac{tot. annual salary paid to cs}{tot. domestic revenue} \times 100$

I. Year 2002-2003

Tot. Annual salary paid to civil servants -July 2003 (**Annex I.a**) = Nu. 911,274,300
 Total domestic revenue (Annual Financial Statement 2002-03) = Nu. 4,785,260,000

$$= \frac{911,274,300}{4,785,260,000} \times 100$$

 = **19.00 %**

II. Year 2007-2008

Tot. Annual salary paid to civil servants -July 2008(**Annex I.b**) = 2,806,703,880
 Total domestic revenue(Annual Financial Statement 2007-08) = Nu. 12,345,984,000

$$= \frac{2,806,703,880}{12,345,984,000} \times 100$$

 = **12.00 %**

III. Year 2013-14

Tot. annual salary paid to civil servants-July 2014 (**Annex I.c**) = Nu. 5,990,204,256
 Total domestic revenue (Annual Financial Statement 2013-14) = Nu. 23,244,610,000

$$= \frac{5,990,204,256}{23,244,610,000} \times 100$$

 = **25.77%**

Sl. No	Employment	2002-2003	2007-2008	2013-2014
4	Government employment as percentage of private sector employment	71.32%	NA	30.60%

Govt. employment as percentage of pvt sector employment = $\frac{tot. cs employment}{tot. pvt. sector employment} \times 100$

I. Year 2002-2003

Total Civil Service Employment-2003 (Civil Service Statistics 2003, RCSC) = 15,129
 Total private sector employment -2003 (Labor Force Survey, 2003, MoLHR) = 21,211

$$= \frac{15,129}{21,211} \times 100$$

 = **71.32%**

II. Year 2007-2008

Total Civil Service Employment-2008 (Civil Service Statistics 2008, RCSC) = 19,848
 Total private sector employment -2008 Labour force survey not conducted because of elections

III. Year 2013-14

Total Civil Service Employment-2014 (Civil Service Statistics 2014, RCSC)	= 25,301
Total private sector employment -2014 (Labour Force Survey, 2014, MoLHR)	=82,671
	$= \frac{25,301}{82,671} \times 100$
	=30.60%

Sl. No	Employment	2002-2003	2007-2008	2013-2014
5	Government employment as percentage of total employment	6.78%	7.41%	7.45%

$$\text{Govt. employment as percentage of tot.employment} = \frac{\text{tot. cs employment}}{\text{tot. employment}} \times 100$$

I. Year 2002-2003

Total Civil Service Employment-2003 (Civil Service Statistics 2003, RCSC)	= 15,129
Total employment -2003 (Labor Force Survey, 2003, MoLHR)	=223,200
	$= \frac{15,129}{223,200} \times 100$
	=6.78%

II. Year 2007-2008

Total Civil Service Employment-2008 (Civil Service Statistics 2008, RCSC)	= 19,848
Total employment -2008 (Labour force survey not conducted because of elections. Total employment for 2008 is estimated* to:	=267250
	$= \frac{19,848}{267,850} \times 100$
	= 7.41%

***Estimation of Total employment for 2008**

Total employment for 2007 (Labor Force Survey, 2007)	= 222,900
Total employment for 2009 (Labor Force Survey, 2009)	=312,800
Total employment for 2008	$= \frac{\text{Tot.Emp 2007} + \text{Tot.Emp 2009}}{2}$
	$= \frac{222,900 + 312,800}{2}$
	=267,850

III. Year 2013-14

Total Civil Service Employment-2013 (Civil Service Statistics 2014, RCSC)	= 25,301
Total employment -2014 (Labor Force Survey, 2014, MoLHR)	=339,569
	$= \frac{25,301}{339,569} \times 100$
	=7.45%

Sl. No	Employment	2002-2003	2007-2008	2013-2014
6	Government employment as percentage of population	2.4%	2.25%	3.39%

$$\text{Govt. employment as percentage of tot. employment} = \frac{\text{tot. cs employment}}{\text{tot. population}} \times 100$$

I. Year 2002-2003

$$\begin{aligned} \text{Total Civil Service Employment-2003 (Civil Service Statistics 2003, RCSC)} &= 15,129 \\ \text{Tot. Population for 2003 is estimated* to :} &= 618,580 \\ &= \frac{15,129}{618,580} \times 100 \\ &= \underline{\underline{2.4\%}} \end{aligned}$$

*Estimation of popⁿ for 2003

Tot popⁿ as of 2005 (Population and Housing Census of Bhutan 2005) = 634,982

Growth rate of popⁿ 2005 = 1.3 %

$$\text{The estimated pop}^n \text{for 2004} = (634,982 - \frac{1.3}{100} \times 634,982)$$

$$\text{The estimated pop}^n \text{for 2003} = (626,727 - \frac{1.3}{100} \times 626,727) = 618,580$$

II. Year 2007-2008

$$\begin{aligned} \text{Total Civil Service Employment-2008 (Civil Service Statistics 2008, RCSC)} &= 19,848 \\ \text{Total population -2008 (Popn projection of Bhutan 2005-2030, 2007-NSB)} &= 671,083 \\ &= \frac{19,848}{671,083} \times 100 \\ &= \underline{\underline{2.25\%}} \end{aligned}$$

III. Year 2013-14

$$\begin{aligned} \text{Total Civil Service Employment-2014 (Civil Service Statistics 2014, RCSC)} &= 25,301 \\ \text{Total population -2014 (Popn projection of Bhutan 2005-2030, 2007-NSB)} &= 745,153 \\ &= \frac{25,301}{745,153} \times 100 \\ &= \underline{\underline{3.39\%}} \end{aligned}$$

Sl. No	Wage Level	2002-2003	2007-2008	2013-2014
7	Average government wage as a share of competitor private sector wages	NA	NA	151.81%

$$\text{Avg. govt. wage as a share of competitor pvt. sector} = \frac{\text{Avg annual salary paid to cs}}{\text{Avg annual salary paid to pvt sect}} \times 100$$

I. Year 2002-2003

Average annual salary paid to civil servants-July 2003 (Annex I.a) = Nu. 60,233

Average annual salary paid to pvt. Sector employees -2003 data not available

II. Year 2007-2008

Average Annual salary paid to civil servants -July 2008(Annex I.b) = 141,410

Average annual salary paid to pvt. Sector employees -2008 data not available

III. Year 2013-14

Average annual salary paid to civil servants-July 2014 (Annex I.c) = Nu. 236,757
 Average annual salary paid to pvt. Sector employees (Annex I.d) = Nu. 155,956

$$= \frac{236,757}{155,956} \times 100$$
=151.81%

Sl. No	Wage Level	2002-2003	2007-2008	2013-2014
8	Average government wage as a share of GDP per capita	154.97%	173.42%	165.58%

Avg. govt. wage as a share of competitor pvt.sector = $\frac{Avg\ annual\ salary\ paid\ to\ cs}{GDP\ per\ capita} \times 100$

I. Year 2002-2003

Average annual salary paid to civil servants-July 2003 (Annex I.a) = Nu. 60,234
 GDP per capita = Nu. 38,868
 (USD 2440.41 = (1 USD=Nu.58.59))

$$= \frac{60,234}{38,868} \times 100$$
=154.97%

II. Year 2007-2008

Average annual salary paid to civil servants-July 2008 (Annex I.b) = Nu. 141,410
 GDP per capita = Nu. 81,539.49
 (USD 2440.41 = (1 USD=Nu.58.59))

$$= \frac{1,41,410}{81,539.49} \times 100$$
=173.42%

III. Year 2013-14

Average annual salary paid to civil servants-July 2014 (Annex I.c) = Nu. 236,757
 GDP per capita = Nu. 142,984
 (USD 2440.41 = (1 USD=Nu.58.59))

$$= \frac{236,757}{142,984} \times 100$$
=165.58%

Sl. No	Wage Level	2002-2003	2007-2008	2013-2014
9	Ratio of the highest government wage to the lowest (compression ratio)	6.26	6.26	6.42

Ratio of the highest govt. wage to the lowest = $\frac{highest\ govt.wage}{lowest\ govt.wage}$

I. Year 2002-2003

Highest govt. wage (min. EX1 salary) = Nu. 33,970
 Lowest govt. wage (min. salary to O4 Position level) = Nu. 5,424

$$= \frac{33,970}{5,424}$$
=6.26

II. Year 2007-2008

Highest govt. wage (min. EX1 salary)

= Nu. 33,970

Lowest govt. wage (min. salary to O4 Position level)

= Nu. 5,424

33,970

= 5,424

=6.26**III. Year 2013-14**

Highest govt. wage (min. EX1 salary (includes HRA))

= Nu. 70,948

Lowest govt. wage (min. salary to O4 Position level)

= Nu. 11,057

70,948

= 11,057

=6.42**Annex I.a: 2003**

Grade	No. of Civil Servants	Salary		Average	Total Monthly Salary
		Min	Max		
1	12	15,500	20,375	17,938	215,250
2	28	13,000	17,350	15,175	424,900
3	66	10,975	14,875	12,925	853,050
4	189	8,575	11,950	10,263	1,939,613
5	359	7,575	10,575	9,075	3,257,925
6	514	6,650	9,275	7,963	4,092,725
7	1,314	5,900	8,150	7,025	9,230,850
8	2,129	4,825	6,700	5,763	12,268,363
9	1,650	4,400	6,600	5,500	9,075,000
10	2,353	4,000	5,900	4,950	11,647,350
11	831	3,650	5,350	4,500	3,739,500
12	884	3,250	4,850	4,050	3,580,200
13	1,170	3,000	4,400	3,700	4,329,000
14	1,226	2,825	4,125	3,475	4,260,350
15	897	2,650	3,750	3,200	2,870,400
16	646	2,400	3,400	2,900	1,873,400
17	861	2,250	3,050	2,650	2,281,650
	15,129				75,939,525

Total annual salary**= 12 x 75,939,525****=Nu. 911,274,300****Average annual salary for one civil servant**= $\frac{\text{total annual salary}}{\text{total no of civil servants}}$ 911,274,300

= 15,129

=Nu. 60,233**Source:**

1. No of civil servants = **Civil Service Statistics, December 2003, RCSC**
2. Annex 18 Civil Service Pay Scale Trend, Pay Commission Report 2014, RGoB

Annex I.b: 2008

Position Level	No. of Civil Servants	Salary		Average	Total Monthly Salary
		Min	Max		
ES1/EX1	24	33,970	44,170	39,070	937,680
ES2/EX2	30	28,500	37,050	32,775	983,250
ES3/EX3	189	24,090	31,290	27,690	5,233,410
P1	404	18,970	24,670	21,820	8,815,280
P2	428	16,755	21,780	19,268	8,246,490
P3	1,656	14,690	19,115	16,903	27,990,540
P4	1,972	13,080	16,980	15,030	29,639,160
P5	5,132	10,710	13,935	12,323	63,239,070
S1	1,374	9,855	12,855	11,355	15,601,770
S2	2,089	8,930	11,630	10,280	21,474,920
S3	1,653	8,160	10,635	9,398	15,534,068
S4	1,085	7,240	9,415	8,328	9,035,338
S5	1,814	6,700	8,725	7,713	13,990,475
O1	574	6,355	8,305	7,330	4,207,420
O2	475	5,970	7,770	6,870	3,263,250
O3	446	5,425	7,075	6,250	2,787,500
O4	503	5,040	6,540	5,790	2,912,370
	19,848				233,891,990

Total annual salary = 12 x 233,891,990
 =Nu. 2,806,703,880

Average annual salary for one civil servant = $\frac{\text{total annual salary}}{\text{total no of civil servants}}$
 = $\frac{2,806,703,880}{19,848}$
 =Nu. 141,410

Source:

1. No of civil servants =Civil Service Statistics, December 2008, RCSC
2. Annex 18 Civil Service Pay Scale Trend, Pay Commission Report 2014, RGoB

Annexure I.c

Sl. No	Position Level	No. of Civil Servants	Monthly Salary (July 2014)			Total monthly salary
			Min	Max	Average	
1	ES1	3	54,575	70,925	62,750	188,250
2	ES2	12	45,785	59,510	52,648	631,770
3	ES3	74	38,700	50,325	44,513	3,293,925
4	CS (EX1)	1	75,160	82,685	78,923	78,923
5	GS (EX1)	10	65,930	72,530	69,230	692,300
6	EX1	16	54,575	70,925	62,750	1,004,000
7	EX2	38	45,785	59,510	52,648	2,000,605
8	EX3	82	38,700	50,325	44,513	3,650,025
9	P1	420	30,990	40,290	35,640	14,968,800
10	P2	988	27,370	35,545	31,458	31,080,010
11	P3	1,894	23,995	31,195	27,595	52,264,930
12	P4	3,646	21,370	27,745	24,558	89,536,645
13	P5	5,771	17,485	22,745	20,115	116,083,665
14	S1	2,154	16,365	21,240	18,803	40,500,585
15	S2	2,383	14,830	19,255	17,043	40,612,278
16	S3	1,659	13,550	17,600	15,575	25,838,925
17	S4	1,798	12,025	15,625	13,825	24,857,350
18	S5	2,099	11,125	14,500	12,813	26,893,438
19	O1	725	10,725	13,950	12,338	8,944,688
20	O2	475	10,075	13,075	11,575	5,498,125
21	O3	349	9,155	11,930	10,543	3,679,333
22	O4	704	8,505	11,055	9,780	6,885,120
Total		25,301			-	499,183,688

Total annual salary = 12 x 499,183,688

=Nu. 5,990,204,256

Average annual salary for one civil servant

$$= \frac{\text{total annual salary}}{\text{total no of civil servants}}$$

$$= \frac{5,990,204,256}{25,301}$$

=Nu. 236,757

Source:

1. No of civil servants = Civil Service Statistics, December 2014, RCSC
2. Pay scale against each position level = Civil Service pay scale-2014 via letter vide MoF.DNB/Rules-2/2014-15/021 dated July 16, 2014

Annexure I.d: Average annual salary paid to pvt. Sector employees

There are no information/reports on the private sector wages. Therefore, the average annual salary paid to private sector employees is estimated as follows:

The private sector organisation that represents (sample) the entire private sector in our country was recommended as Tashi Commercial Corporation by BCCI.

No of employees in Tashi Commercial Corporation = 717 employees*

Tot. monthly wage paid to employees of TCC = Nu. 9,318,380*

$$\begin{aligned}
 \text{Average annual salary for one pvt sector employee} &= \frac{\text{total annual wage of TCC}}{\text{total no of employees in TCC}} \\
 &= \frac{9,318,380}{717} \times 12 \\
 &= \text{Nu. } \underline{\underline{155,956}}
 \end{aligned}$$

Source

* PassangDorji, Dy. Managing Director, Tashi Commercial Cooperation, P/ling. via telephone as on 3 Aug 2015

Annexure II: List of OD Agencies

SI No	Agencies, where OD Exercise is completed
Ministry (10)	
1	Ministry of Agriculture and Forests
2	Ministry of Economic Affairs
3	Ministry of Education
4	Ministry of Finance
5	Ministry of Foreign Affairs
6	Ministry of Health
7	Ministry of Home & Cultural Affairs
8	Ministry of Information & Communications
9	Ministry of Labour & Human Resources
10	Ministry of Works & Human Settlement
Agency (5)	
11	Gross National Happiness Commission
12	Jigme Dorji Wangchuck National Referral Hospital
13	National Environment Commission
14	National Land Commission
15	Tourism Council of Bhutan
Dzongkhag (7)	
16	Bumthang
17	Chhukha
18	Haa
19	Paro
20	Samdrup Jongkhar
21	Trashi Yangtse
22	Wangdue Phodrang
Thromde (3)	
23	Phuentsholing
24	Samdrupjongkhar
25	Thimphu