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Civil Service Management in Nepal

**EVIDENCE FROM A SURVEY OF MORE THAN 1,200 CIVIL
SERVANTS**

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In Nepal, the authors would like to specifically thank the Ministry of General Administration and the Public Service Commission for their support of the implementation of the survey. To our knowledge, this is the largest survey of civil servants that has ever been conducted in Nepal. Special thanks go to the research team at the University of Tribhuvan that was led by Prof Shree Krishna Shretha, including Bibek Luitel, Birendra Chand, Janaki Gautam, Pushpa Ghimire, Rubina Ranabhat, Sabita Thapa, Sakuntala Baral, Sarina Kafle, Sharada Sharma and Srijana Pahari.

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Executive summary

(1) This report seeks to inform the efforts of the Government of Nepal to professionalise the civil service. It has a twofold objective. First, it introduces 'civil service surveys' as a new instrument to monitor and engage civil servants in the reform and modernisation of the civil service in Nepal. Second, it provides original evidence on civil servants' attitudes and behaviour, their experience with human resources management, including integrity management and the role of public service unions and their evaluation of the quality of leadership. Overall, the report aims to contribute to the professionalisation of the civil service in Nepal in the context of the Government's aim to become a middle-income country by 2030.

(2) The report is part of a larger project led by Jan-Hinrik Meyer-Sahling (University of Nottingham), Christian Schuster (University College London) and Kim Sass Mikkelsen (Roskilde University) on 'Civil Service Management in Developing Countries: What Works?'. The project includes ten countries Latin America, Africa, Eastern Europe and Asia including Nepal. With more than 23.000 participants, it has led to the largest-ever cross-country survey of civil servants. The project was funded by the British Academy – Department for International Development (DFID) Anti-Corruption Evidence Programme.

(3) In Nepal, the survey was conducted between July 2017 and February 2018 with support from the Ministry of General Administration and the Public Service Commission. The survey generated 1.271 responses from central government ministries, their subordinated organisations, constitutional bodies and metropolitan and municipal offices in Kathmandu. To our knowledge, it is the largest civil service wide survey that has ever been conducted in Nepal.

(4) The survey assesses (1) civil servants' attitudes such as their level of job satisfaction, public service motivation and intention to behave ethically, all of which are known to contribute to the performance and integrity of public administration organisations. It further examines (2) civil servants' experience with human resources management practices including experience with recruitment, career advancement, performance evaluation, salary management, job stability, integrity management and civil service unions and (3) their evaluation of the quality of leadership in their organisation. Subsequently, it assesses the effects of management practices on the attitudes and behaviours of civil servants to enable evidence-based reforms of the civil service in Nepal.

(5) In relation to the attitudes of civil servants, the survey shows that a majority of civil servants is satisfied with their job, committed to working in the public sector, motivated to work hard, motivated to serve the public interest and trusting their colleagues. However, there are concerns about impartiality and integrity: a majority of civil servants indicate at least some inclination to behave unethically in conflict of interest situations such as the gift acceptance and the use of office resources for private purposes.

(6) Civil servants' attitudes differ across institutions. Levels of job satisfaction, for instance, range from around 70 per cent in some institutions to over 90 per cent in others. Institutional differences are equally high for other attitudes of civil servants. Differences are also notable when comparing categories of staff. Gazetted civil servants are more inclined to act ethically in conflict of interest situations than non-

gazetted and, in particular, classless civil servants. However, they also appear to be less motivated to work hard than other categories of civil servants.

(7) The survey provides mixed evidence in relation to civil servants' experience with human resource management. In the area of recruitment and selection, a majority of civil servants learned about their first job in the civil service through a public advertisement (newspaper or official portal), passed written examinations and personal interviews. However, non-merit features remain prominent, in particular, nearly three quarters of civil servants indicate that personal connections have helped them at least to some extent to get their first job in the civil service. By comparison, political connections do not play a major role at the point of civil service entry.

(8) Career advancement practices confirm the career-based character of the civil service system in Nepal. Nearly three quarters of civil servants advanced to their current position by means of a lateral or internal transfer or following a so-called file promotion. However, public competitions for career advancement are not unusual (ca. 20 per cent) and their importance has evidently increased in recent years, indicating a gradual opening of the civil service system. Both personal and political connections are important for advancing to a better position in the civil service. Politicisation is notable in the area of transfers as opposed to file promotions, competitions and, as mentioned above, recruitment.

(9) The performance of 75 per cent of civil servants is formally evaluated at least once per year. However, there are considerable differences across institution and categories of staff. A large majority of civil servants indicates that performance objectives are agreed before the assessment period, hard work leads to better ratings and evaluation outcomes influence promotions prospects. By contrast, less than a quarter of civil servants receives feedback after the completion of the performance evaluation and small proportions indicate a link between evaluation outcomes and both pay and dismissal decisions.

(10) Civil servants are critical in their evaluation of the salary system. Majorities of civil servants are dissatisfied with their salaries, they indicate that they cannot sustain their household with their current salary level, they regard their salary level as uncompetitive relative to private sector salaries and indicate that, on average, good performance does only rarely lead to a salary increase. At the same time, civil servants confirm that salary equality is high, that is, civil servants are paid similar salaries for similar job responsibilities. The evaluation of salary management practices varies across both institutions and categories of staff.

(11) Civil servants are ambivalent with regard to their perceived job security. On the one hand, they perceive a high level of employment security. On the other, they consider positional security within the civil service to be low, that is, they enjoy little protection against involuntary transfers. Civil servants recognise that they can be dismissed for poor performance. Fear of political dismissal is low, albeit higher among classless civil servants. Politicisation is most notable in relation to involuntary transfers, echoing the importance of political connections for advancement to better positions mentioned above.

(12) The responses of civil servants indicate that integrity management is an area in need of much development in Nepal. Less than a quarter of civil servants have ever had ethics training during their career. Three quarters are aware of the existence of the code of conduct for the Nepal civil service but not everybody has

read or fully understood it, according to the civil service survey. Ethics training and code of conduct awareness vary across institutions and is higher among gazetted civil servants than non-gazetted and classless civil servants.

(13) Less than a quarter of civil servants are members of civil service unions. Unions are generally less important in civil service management than other non-merit factors such as political connections and, in particular, personal connections. Comparing across areas of human resources management, unions are more influential in relation to career advancement and job protection including protection from unwanted transfers. They play a minor role in recruitment and salary management. Unsurprisingly, union members consider unions to be more important than non-members.

(14) The statistical analysis shows that human resources management practices have important effects on civil servants' attitudes and behaviour. Political connections in recruitment, career advancement and job protection are associated with less job satisfaction, less public service motivation and less integrity on the job. Both personal connections and union involvement lower civil servants' intention to behave ethically on the job. The role of personal connections and union involvement is more ambivalent in relation to work motivation, public service motivation and interpersonal trust. At the same time, merit recruitment procedures such as public job advertisement, written exams and interviews are associated with less politicised and less nepotistic recruitment.

(15) Performance-based promotions, on the other hand, have consistently positive consequences for civil servants attitudes. The statistical analysis further reveals that the quality of the performance evaluation process plays a critical role. The ex ante agreement of performance objectives, the reward of hard work and the link between performance evaluations and promotion decisions have positive effects on the perceived performance orientation of transfer and promotion practices. By contrast, performance evaluations that are linked to dismissals have a negative effect on civil servants' attitudes and behaviour.

(16) Salary dissatisfaction and, to a lesser extent, perceived salary insufficiency have various negative consequences for job satisfaction, inter-personal trust, work motivation and the ethical behaviour of civil servants. This raises questions with regard to the right salary level of civil servants vis-à-vis the private sector. Job protection practices are primarily relevant with regard to the positive effect of perceived employment security on job satisfaction and work motivation. The risk of unwanted transfers appears to be largely accepted by civil servants in that it appears to enhance work motivation and public service motivation rather than diminish it.

(17) Ethics training – worryingly – is shown to have no significant positive effect on the ethical behaviour of civil servants. Knowledge of the code of conduct, similarly, appears to have no effect on ethical behaviour. This suggests a need to review the integrity management system and the communication of the code of conduct to civil servants.

(18) Civil servants provide a generally positive evaluation of the quality of leadership in their institutions. Majorities of civil servants rate their superiors as experts in their field and as possessing management skills. They are also largely regarded as transformational leaders who generate enthusiasm for the mission of their institution and as ethical leaders who lead by example and hold their staff to

account for ethical behaviour. The positive evaluation is matched by the finding that politicised and nepotistic management are untypical in the eyes of subordinate civil servants.

(19) The quality of leadership has importance consequences for human resources management practices. Politicised and nepotistic management has negative consequences for job satisfaction, trust and the ethical behaviour of civil servants. By contrast, transformational and ethical leadership have consistently positive effects on civil servants' attitudes and behaviour. Investment in the quality of leadership is arguably one of the most important measures that the Government of Nepal can take to improve the overall quality of the civil service.

(20) Finally, the report compares the results of the survey of civil servants in Nepal with the results of other countries, primarily Bangladesh, as a geographically close case with a similar experience of political and economic development. On some dimensions related to the attitudes and behaviour of civil servants, Nepal's civil servants are more positive, for instance, they are more satisfied, more trusting and more motivated to serve the public. At the same time, they appear to be less motivated to work hard and less inclined to act ethically on the job. Human resources management practices in Bangladesh and Nepal indicate broadly similar patterns, especially when comparing to other parts of the world. However, political connections are more important in Bangladesh, while personal connections (that is connections through friends and family) are perceived to be more important in Nepal. In Bangladesh, the career system remains more closed than in Nepal. Patterns of salary management and job protection are similar.

(21) The civil service survey provides the evidence to improve the quality human resources management and to engage in efforts to improve the quality of leadership in the civil service. The Government of Nepal may want to pilot a regular civil service survey in a selection of institutions before rolling out a survey across all government institution. The piloting period may provide the time to invest in a functioning human resources management information system to create the basis for a government-wide regular civil service survey in the future. For the Government of Nepal, any such survey would generate systematic evidence for future public sector reform and modernisation initiatives in the context of the Nepal Envisioning 2030 Strategy.

Recommendations

#1 The Government of Nepal should consider the regular implementation of civil service surveys in order to generate regular, systematic evidence on the state of the civil service and to inform civil service reform strategies and their implementation. Such surveys should be designed, coordinated and analysed by the Ministry of General Administration and the Public Service Commission. The Government may want to begin to pilot regular civil service surveys in a subset of institutions to develop experience before rolling out a regular survey across government institutions. The conduct of civil service surveys should be accompanied by the establishment of a human resources management information system, which should include email addresses of civil servants.

#2 The Government of Nepal should make efforts to curb politicisation, nepotism and union involvement in recruitment, career advancement and employment protection. Politicisation, in particular, has consistently negative consequences for the attitudes of civil servants. Politicisation, nepotism and union involvement further reduce ethical behaviour among civil servants.

#3 The Government of Nepal should make efforts to ensure that job vacancies are publicly advertised and that written and oral examinations are applied for all ranks of civil servants, including classless civil servants, in order to reduce politicisation, nepotism and union involvement in recruitment. Additional efforts are recommended to review the job advertisement practices, as their impact on civil servants' attitudes remains uncertain.

#4 The Government of Nepal should make efforts to strengthen the performance orientation of career advancement practices, as performance orientation has consistently positive effects on civil servants' attitudes. To this end, it is recommended to strengthen the implementation of the performance evaluation procedure. However, the Government may want to review the performance evaluation procedure insofar as the impact on dismissals and salaries is concerned.

#5 The Government of Nepal should review the salary system to address salary dissatisfaction, perceived insufficiency of salaries and the lack of salary competitiveness vis-à-vis the private sector. The low degree of salary satisfaction, in particular, among gazetted and non-gazetted civil servants, has negative consequences on the attitudes and behaviour of civil servants.

#6 The Government of Nepal should make efforts to review and strengthen integrity management in the civil service. The ethics infrastructure remains under-developed with a low uptake of ethics training and a low effectiveness of the existing code of conduct. Ethical attitudes and behaviour are in need of improvement among civil servants.

#7 The Government of Nepal should invest in the quality of leadership in the civil service. Despite positive evaluations, there is considerable scope for improvement, which will have positive consequences for all aspects of human resources management.

Contents

Acknowledgement	2
Executive summary	3
Recommendations	7
Contents	8
Introduction	9
Part 1. Towards the implementation of civil service surveys in Nepal	10
Long-term goal.....	11
Short and medium-term goals	11
Part 2. Findings from the civil service survey in Nepal	12
Part 2.1. Attitudes and behaviour of civil servants in Nepal	14
2.1.1. Overview of civil servants' attitudes and behaviour in Nepal	15
2.1.2. Nepal in comparison to Bangladesh.....	17
2.1.3. Differences between institutions.....	18
2.1.4. Differences between groups of civil servants.....	21
2.1.5. Conclusions and recommendations	22
Part 2.2. Human resources management practices in Nepal	23
2.2.1. Recruitment and selection	25
2.2.2. Career advancement.....	30
2.2.3. Performance evaluation	33
2.2.4. Salary management	39
2.2.5. Job protection	41
2.2.6. Integrity management.....	45
2.2.7. Civil service unions	53
Part 2.3. The quality of leadership in the civil service in Nepal	59
2.3.1. Overview of quality of leadership in the civil service in Nepal.....	60
Part 3. Conclusions and implications for civil service reform in Nepal	65
Part 4. Appendix	67
Appendix A. List of institutions	67
Appendix B. Survey questions (selected)	69

Introduction

This reports presents findings from a survey of civil servants that was conducted between July 2017 and February 2018 in the central public administration and in metropolitan and municipal offices in the Kathmandu valley. The report is part of a project led by Jan-Hinrik Meyer-Sahling (University of Nottingham), Christian Schuster (University College London) and Kim Sass Mikkelsen (Roskilde University). The project was funded by the British Academy and UK Department for International Development Anti-Corruption Evidence Programme.¹

The international project involved civil service surveys in ten countries in four developing regions. The countries besides Nepal are Bangladesh from Asia, Estonia, Albania and Kosovo from Eastern Europe, Brazil and Chile from Latin America, and Ghana, Uganda and Malawi from Africa. With more than 23.000 participants, the project led to the largest cross-country survey of civil servants that has ever been conducted.²

In Nepal, the survey was conducted with the support of the Ministry of General Administration and the Public Service Commission. The main objective of the survey was to support measures to professionalise the civil service and to inform efforts to review and develop a more effective system of integrity management for the civil service of Nepal. Against this background, the report aims

- 1) To present so-called 'civil service surveys' as an instrument that the Government of Nepal can utilise to continuously monitor and evaluate staff management practices as well as the satisfaction, motivation, commitment, integrity and public service orientation of its workforce in the context of efforts to promote professionalisation and integrity of the civil service.
- 2) To provide new evidence of civil servants' attitudes, their experience with human resources management, including integrity management, the role of public service unions and the quality of leadership in the civil service in order to identify areas of good practice as well as areas that require improvement and intervention by the Government of Nepal.

In Nepal, the professionalisation of the civil service has made progress since the re-introduction of parliamentary democracy in 2008. However, internal and external evaluations by international organisations have drawn attention to problems capacity, low morale, persisting nepotism and corruption in the civil service. In order to address these criticisms, the Ministry of General Administration and the Public Service Commission are continuously engaged in efforts to strengthen the professionalisation of the civil service.

One of the main obstacles to successful civil service professionalisation in Nepal – like in many other developed and developing countries around the world – has been the lack of systematic evidence on the satisfaction, motivation, commitment, integrity and public service orientation of civil servants, on the quality of leadership and on human resources practice across public sector institutions.

¹ For details of the programme, please see <https://www.britac.ac.uk/anti-corruption>

² The cross-country report is accessible under <https://www.britac.ac.uk/sites/default/files/Meyer%20Sahling%20Schuster%20Mikkelsen%20-%20What%20Works%20in%20Civil%20Service%20Management.pdf>

This report addresses this lack of evidence and proposes civil service surveys as a novel instrument to monitor, evaluate and engage civil servants in the reform and modernisation of public administration in Nepal. The first part will present the benefits of civil service surveys for professionalisation and integrity of the civil service and how they can be implemented in the future by the Government of Nepal. The second part will present findings from the survey that was conducted in Nepal. It will first present findings related to the attitudes and behaviour of civil servants. It will then turn to civil servants' experience with human resources management before turning to their assessment of the quality of leadership and management in their institution. The conclusions will present recommendations for the Government of Nepal on how to act on the findings of the civil service survey.

Part 1. Towards the implementation of civil service surveys in Nepal

In recent years, civil service surveys have become a key tool to strengthen civil service management and work motivation in advanced Western democracies. A recent study by the OECD shows that 18 out of 30 countries regularly conduct employee surveys.³ In fact, only 5 out of 30 countries have not used any employee surveys in public administration. Employee surveys are also widespread in the private sector around the globe, and featuring prominently in lists of high performance human resource management practices.

At the same time, however, employee surveys in the public sector remain rare in developing countries. The surveys conducted in the present British Academy – DFID project introduced surveys of these kinds of public sector management in developing countries. By committing to regular civil service surveys, the Government of Nepal could become a frontrunner among developing countries in South Asia in the use of this management tool.

Civil service surveys take into account the insights of research and experience in public administration and management that more engaged and more satisfied employees demonstrate higher levels of motivation and organisational commitment, which contributes to better organisational outcomes such as efficiency, productivity, innovation, citizen satisfaction and trust in public sector institutions. These outcomes are among the main objectives of the Government's Envisioning Nepal 2030 Strategy.

Well-designed and systematically implemented surveys allow central management and the leadership of individual public sector organisations to compare institutions and groups of employees against clearly defined benchmarks, and to understand which civil service management practices work, and which do not. Regular civil service surveys would hence be a powerful tool for the Government of Nepal to monitor and develop evidence-based policy measures to improve the quality of the civil service.

³ OECD (2016), *Engaging Public Employees for a High-Performing Civil Service*, OECD Public Governance Reviews, OECD Publishing, Paris.

From a regulatory point of view, the OECD experience and the experience from the British Academy – DFID project provides a short and a long-term strategy to take civil service surveys forward in Nepal.

Short and medium-term goals: Set up infrastructure to move towards online administration of regular civil service surveys

The first civil service survey that was conducted in Nepal in the context of the British Academy – DFID project was implemented as an in-person survey that relies on face-to-face interviews. This method is comparably costly and time consuming. In OECD countries, by comparison, civil service surveys are typically conducted as online surveys. They rely on staff registers and the capacity to email individual civil servants either from central management bodies or at the level of individual public sector institution. Setting up central staff registers has many additional benefits for the coordination and monitoring of public personnel, and for communicating with staff.

In order to move towards the government wide implementation of civil service surveys in Nepal, it would therefore be essential to invest in the establishment of both institutional staff registers with a view on establishing a central staff register in the context of a broader Human Resources Management Information System. In the same context, institutions would be required to invest in digital technology in order to ensure that civil servants have their own email address and access to computers. In the medium term, the Ministry of General Administration would thus be enabled to manage regular civil service surveys centrally.

In the first instance, the Ministry of General Administration may therefore want to work with a small number of dedicated institutions to establish the conditions for the regular conduct of civil service surveys. Several institutions such as the Inland Revenue Department or the Public Service Commission should be sufficiently well equipped to establish the necessary infrastructure in due course, or might already have registries of email addresses of their staff. These institutions will subsequently become the models for a gradual rollout of regular civil service surveys across public sector institutions.

Long-term goal: Formal commitment to civil service surveys

The medium to long-term scenario envisages civil service surveys – as in many OECD countries – as a regular tool for management, with annual or biannual government-wise surveys.

To achieve central government-wide participation and a regular implementation of the survey, the survey could be enshrined in the Civil Service Law and complemented by a Government Regulation. It would involve the formal commitment of the Government to regularly implement a civil service survey. The Civil Service Law would require the Ministry of General Administration to coordinate the implementation of a civil service survey ‘to assess the satisfaction with leadership and management practices that contribute to organisational performance and employee satisfaction’ in all public administration organisations in Nepal on an annual or biennial basis.⁴ Further, the results of the regular civil service survey could

⁴ This is the formulation of the legal authorization of the Annual Employee Survey of the US Federal Government, see OECD (2016) for details.

be 'reported to the Government and Parliament in the context of the (Annual) Report of the Ministry of General Administration'.

The requirement enshrined in the Civil Service Law would be complemented by a Government Regulation that would in detail outline the process of preparing, coordinating, implementing, analysing and reporting on the civil service survey. The Government Regulation may go as far as the formulation of key questions that must be included by all organisations every time the civil service survey is conducted. There are various options how findings could be presented to institutions and the public in addition to the core results that would be presented to Government and Parliament.

The commitment to civil service surveys would be included in the (annual) work plan of the Ministry of General Administration as the formally responsible institution for government-wide civil service reform and development. The option would further require the allocation of responsibilities to a dedicated unit in the Ministry of General Administration to manage and deliver the civil service survey.

The formal commitment would entail a clear mandate for the Ministry of General Administration to act and expectation for public administration institutions to participate in the survey. Most likely, it would also enhance the take-up of results by individual administrative organisation due to greater opportunities for institutional benchmarking and, likely, greater publicity and transparency of institutional level findings.

Part 2. Findings from the civil service survey in Nepal

The survey was taken between July 2017 and February 2018 in central public administration institutions and Kathmandu metropolitan and municipal offices. It generated 1,271 responses. The survey was conducted in English and Nepali language. The survey was implemented as an in-person survey that relies on face-to-face interviews. A team of 13 enumerators from the Department of Public Administration of Tribhuvan University coordinated by Prof Shree Krishna Shrestha conducted the survey interviews following extensive training in July 2017.

Respondents were drawn from a range of central government institutions and metropolitan and municipal offices in Kathmandu. Sampling aimed to ensure the representation of a variety of institutions and ranks in accordance with population data for the civil service in Nepal. Accordingly, the survey sample is not necessarily representative. The descriptive evidence presented in this report is therefore suggestive and should be treated accordingly.

Against this background, the survey sample includes 372 respondents from central government ministries and the Office of the Prime Minister, 705 from subordinated organisations of central government ministries, 73 from so-called constitutional bodies and 57 from metropolitan and municipal offices in Kathmandu. Table A.1 in Appendix A lists 20 institutions with at least 20 completed survey responses. Overall responses were collected from 97 different institutions.⁵ These responses of

⁵ Table A.2 in the Appendix lists, for the sake of information, institutions with at least four respondents.

institutions with a lower number of completed responses were collapsed into the category of ‘other’.

Comparing across groups of civil servants, 261 respondents self-identified as managers, 366 as civil servants with technical-professional responsibilities and 541 as civil servants with administrative support responsibilities (Table 1 for details). The distinction between managing, technical-professional and administrative support level civil servants broadly maps onto the formal structure of gazetted, non-gazetted and classless civil servants. Classless civil servants almost exclusively self-identify as civil servants at administrative support level. Two thirds of non-gazetted civil servants self-identify as administrators and most of the remaining fall into the category of technical-professional civil servants. Gazetted civil servants split more or less evenly between managers and technical-professional civil servants.⁶

Looking more closely at demographic characteristics, 66 per cent of the respondents are male and 34 per cent are female. The average age of the respondents is 37 years with 63 per cent falling into the group below 40 years. 79 per cent of the respondents hold a university degree (Bachelor, Master and PhD level). The average public sector working experience of respondents is 11.8 years of service. 86 per cent of respondents are employed on permanent, that is, indefinite contracts. 63 per cent have at least sometimes citizen contact in the context of their job. 93 per cent of the respondents self-identify as Hindu. Looking across the main ethnic groups represented in the survey, 54 per cent of the respondents self-identify as Brahmin, 22 per cent as Chetry and 10 per cent Newar.

Table 1. Demographic features of Nepal survey sample

		Proportion of civil servants in survey sample
Gender	Female	34%
	Male	66%
Education	No University Degree	21%
	University Degree	79%
Education subject⁷	Law	3%
	Economics	9%
	Management or Business	24%
	Arts and Humanities	22%
Age	Average age in years	37 years
Responsibilities⁸	Manager	21%
	Technical-professional	30%
	Administrative support	45%
Career grade⁹	Gazetted	41%
	Non-gazetted	45%
	Classless	12%
Years of experience	Average number of years	11.8 years
Contract Type¹⁰	Permanent	86%

⁶ Note, the categories ‘other’ are not reported in this section.

⁷ “Other” category omitted (42%).

⁸ “Other” category omitted (4%).

⁹ “Other” category omitted (3%).

	Temporary	13%
In contact with citizens on the job	Proportion	63%
Religion	Hindu	93%
Ethnic belonging	Brahmin	54%
	Chetry	22%
	Newar	10%
	Other	14%

Part 2.1. Attitudes and behaviour of civil servants in Nepal

This part focuses on the attitudes and behaviour of civil servants in Nepal that are commonly associated with better performance and integrity in public administration. Accordingly, the section assesses civil servants' levels of job satisfaction, commitment to the public sector, work motivation, organisational trust, public service motivation and their intention to behave ethically on the job.

The part shows that the majority civil servants are satisfied with their job, motivated to work hard, committed to the public sector, trusting towards their colleagues and motivated to serve the public interest.

By contrast, only a minority of civil servants indicates that they would, under all circumstances, behave ethically when presented with conflict of interest situations.

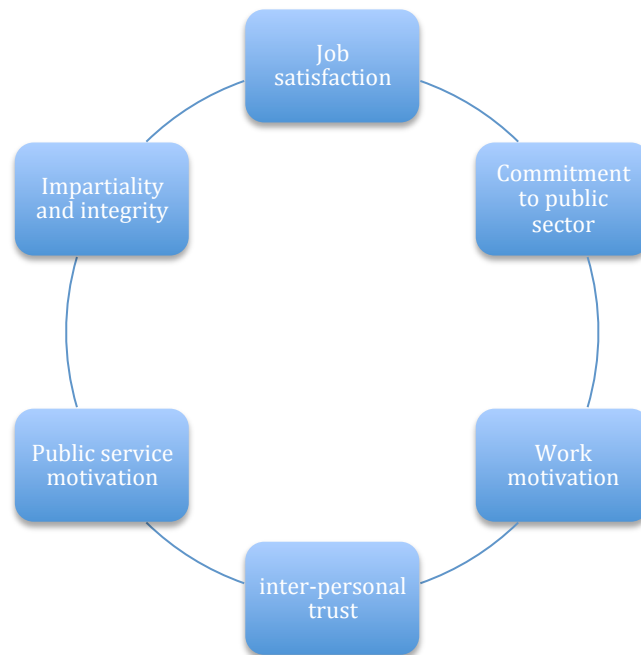
When compared to other countries, specifically Bangladesh, Nepal scores very similarly on most indicators, except questions related to the integrity of civil servants.

Within Nepal, the attitudes and behaviour of civil servants differ considerably across institutions and groups of staff, indicating the need for an institution and group specific perspective on civil service management. The Ministry of General Administration and individual institutions may further want to pay particular attention to improving ethical awareness and behaviour in the civil service.

What are the desirable attitudes and behaviours of civil servants? What values do governments and citizens want civil servants to have and how do they want them to behave in their job? According to research and practical experience in public administration and management, job satisfaction, work motivation and job stability are associated with greater organisational performance and citizen satisfaction. In public administration, major attention is further devoted to the importance of behaving impartially and with integrity as well as the motivation to serve the public interest. Figure 1 summarises our survey's approach to the analysis of civil servants' attitudes and behaviour in Nepal.

¹⁰ "Other" category omitted (1%).

Figure 1. Desirable attitudes and behaviour of civil servants



2.1.1. Overview of civil servants' attitudes and behaviour in Nepal

Looking across the whole of Nepal, the survey findings indicate that a majority of civil servants is satisfied with their job, committed to staying in the public sector, trusting towards their colleagues and motivated to serve the public interest. Just over half of the civil servants are motivated to work hard. The intention to behave ethically in the context of conflict of interest situations is less widely shared among civil servants. To be more specific,

- 83 per cent of civil servants are either satisfied or very satisfied with their job.¹¹
- 57 per cent are either always or often motivated to work hard on their job. Work motivation consists of civil servants' willingness to do extra work that is not necessarily expected from them, to put forth their best effort regardless of any difficulties, and to start early and stay late if it is required to finish a job.¹²
- 80 per cent of civil servants are committed to the public sector, in that they would seek a job in the public sector if they had to look again for a job within the next few months. This finding is likely to indicate both commitment to the public sector and limited opportunity to find alternative employment in the private sector.
- 64 per cent of civil servants believe that they can trust their colleagues at work as opposed to 36 per cent who believe that it is better to be careful when

¹¹ The survey asked on a scale from 0 – 6, how satisfied or dissatisfied are you with your job.

¹² The three items were measured on a scale from 0 – 4, whereby 0 means 'never' and 4 means 'always'.

dealing with others at their workplace.¹³ Civil servants trust citizens and, in particular, politicians to a lesser extent. 57 per cent of civil servants indicate that they trust citizens with whom they and their colleagues interact in the context of their job. Merely 17 per cent of civil servants indicate that they trust politicians with whom they or their colleagues deal at work.

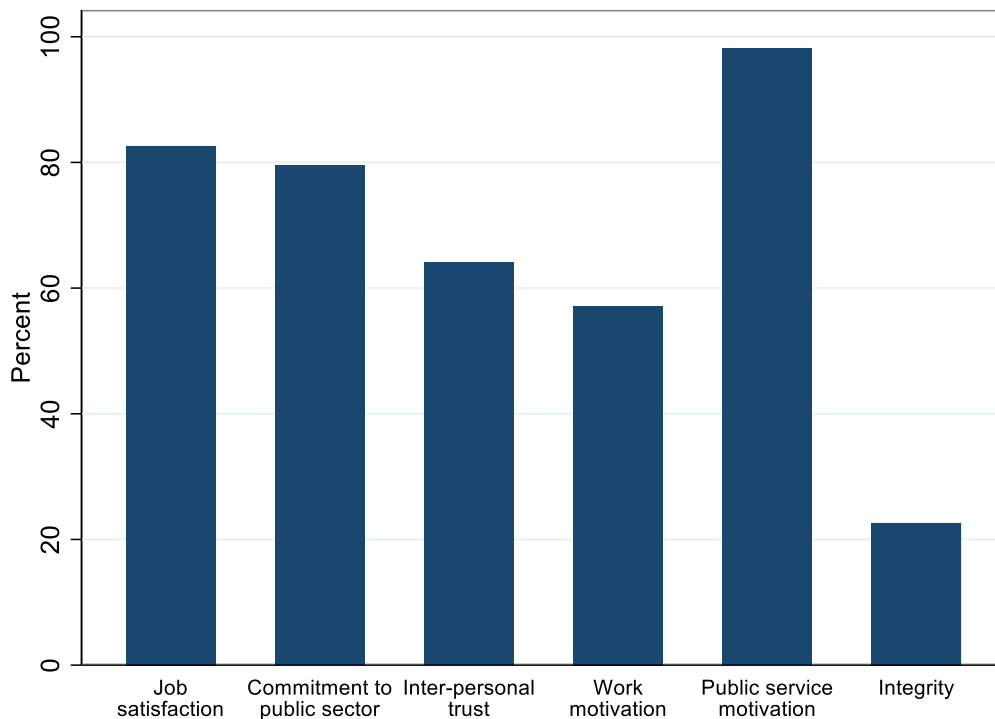
- 98 per cent of civil servants agree or strongly agree with statements that indicate their motivation to serve the public interest. Public service motivation consists of an index of 16 questions that capture the extent to which civil servants are attracted to working in the public service, are committed to creating public value, are compassionate about citizens who face difficulties, and are willing to sacrifice themselves for the good of society.
- 23 per cent of civil servants would behave ethically under all circumstances when presented with conflict of interest situations at work. The indicator consists of three scenarios that were presented to civil servants and asked how they would act if they found themselves in a similar situation. The first¹⁴ scenario presents a hard working civil servant who regularly uses office equipment for private purposes to capture attitudes of respondents towards theft on the job. By contrast, the second¹⁵ and the third¹⁶ scenario focus on the acceptance of gifts from clients and communities. They aim to capture attitudes towards bribery and favouritism. The survey indicates that civil servants are particularly prone to the acceptance of gifts in the context of their job.

¹³ Inter-personal trust was measured on a scale from 0 – 9.

¹⁴ Rames sees himself as a hard-working civil servant who is dedicated to his job in the civil service. In fact, he often works late to finish job tasks. That's why he considers it acceptable to regularly use the photocopier and other office equipment (e.g. pencils, papers, phone etc) for his own private purposes. If you were in Rames's position, would you likely do the same? Scale from 0 = very unlikely to 6 = very likely.

¹⁵ Nirmala is an inspector who monitors the sanitary standards of restaurants in the Kathmandu valley area. After the conclusion of a monitoring operation, Nick is sometimes invited by the restaurant owner to lunch. Nick usually accepts these invitations. If you were in Nirmala's position, would you likely do the same? Scale from 0 = very unlikely to 6 = very likely.

¹⁶ Janak manages an education program in rural areas. As part of his responsibilities, John assesses which local communities should receive support from the programme. Janak has been effective at creating strong working relationships with local communities and that has enabled the program to flourish. Several communities which benefit from the programme recently offered Janak major gifts for his great efforts on the programme. Janak has accepted these gifts. If you were in Janak's position, would you likely do the same? Scale from 0 = very unlikely to 6 = very likely.

Figure 2. Attitudes and behaviour of civil servants

Desirable attitudes and behaviours do not always coincide. Indeed, the correlation between the six dimensions is low. Job satisfaction and organisational trust are significantly related to each other. Work motivation is related to public service motivation, trust and impartial behaviour. However, the relation between the other types of attitudes is weak and not significant. As a consequence, there are merely 6.5 per cent of civil servants who score highly on all six desirable attitudes. This figure increases to 26 per cent if we exclude the requirement to behave with integrity.

For policy-makers, this implies that it is challenging to address all desirable attributes at the same time. Implementing measures to improve job satisfaction, for instance, might have no simultaneous effect on ethical behaviour of civil servants.

2.1.2. Nepal in comparison to Bangladesh

The international project demonstrated that the attitudes and behaviour of civil servants differ across countries.¹⁷ This report compares Nepal to Bangladesh as the most similar case that shares a legacy of authoritarianism, democratisation and regional proximity. The survey results indicate that civil servants have fairly similar attitudes in Nepal and Bangladesh. The notable exception is the willingness of civil servants to engage in unethical behaviour, which is much more common in Nepal. Comparing more specifically,

- Job satisfaction is higher in Nepal than in Bangladesh (75 per cent).
- Work motivation is similar in Nepal and Bangladesh (57 per cent).

¹⁷ For details, please consult the cross-country report, see above.

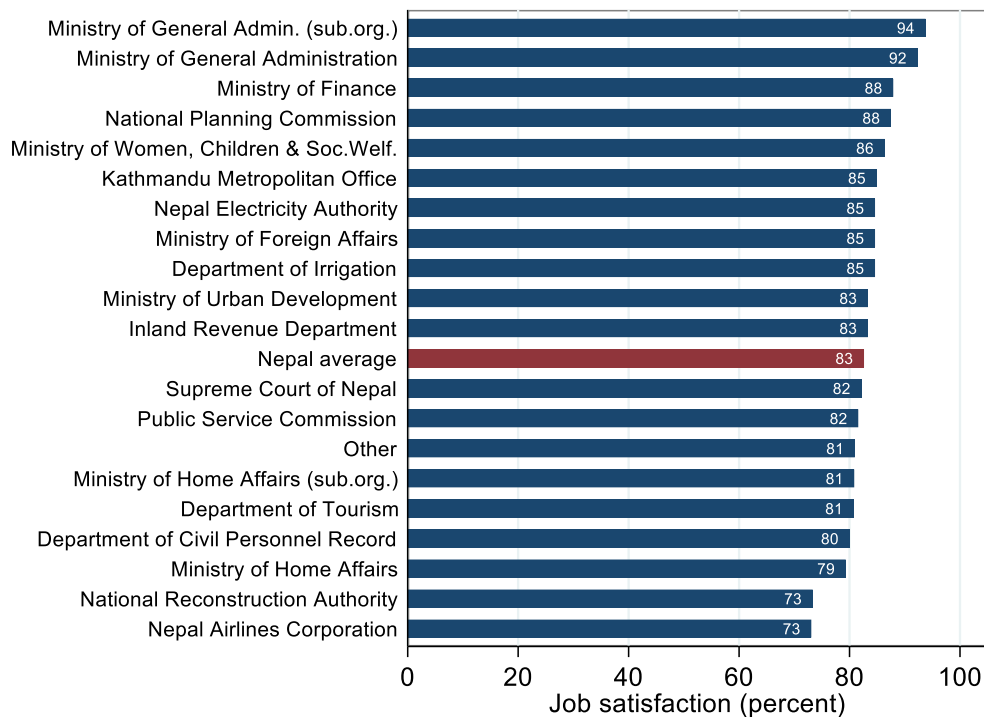
- Commitment to work in the public sector is higher in Nepal than in Bangladesh (74 per cent).
- Inter-personal trust is similar in Nepal and Bangladesh (64 per cent).
- Public service motivation is slightly higher in Nepal than in Bangladesh (95 per cent).
- The intention to behave ethically is considerably lower in Nepal than in Bangladesh (57 per cent).

2.1.3. Differences between institutions

To what extent do attitudes and behaviour of civil servants vary within Nepal? Comparing broadly between types of institutions, it is evident that the differences between ministries and subordinated organisations are small on most dimensions. Constitutional bodies and metropolitan and municipal offices tend to differ more often than not from ministries and their subordinated organisations. However, the number of responses from constitutional bodies and metropolitan and municipal offices is too low to report the results in direct comparison to ministries and subordinated organisations.

Differences are far more notable across individual institutions (Figure 3). To take an example, the proportion of civil servants who are satisfied or very satisfied with their job varies from around 73 per cent of survey respondents in the National Reconstruction Authority to 94 per cent of survey respondents in the subordinated organisations of the Ministry of General Administration and 92 per cent in the ministerial departments of the Ministry of General Administration.¹⁸ Similar differences can be identified for the other desirable attributes of civil servants. Inter-personal trust shows the greatest differences ranging from 48 per cent in the Nepal Electricity Authority to 92 and 96 per cent in the Public Service Commission and the Department of Civil Personnel Records respectively.

¹⁸ The cross-institutional analysis only includes institutions which contributed at least 20 completed survey responses. . We lack data to assess whether our respondents are representative of the employees in each institution that we surveyed.

Figure 3. Job satisfaction across institutions

Comparing individual institutions more closely, the survey allows for the benchmarking of institutions against the average institution in Nepal as well as top or weak performers. Figures 4 and 5 provide two such examples of institutions with sufficiently large numbers of respondents. Figure 4 shows the Public Service Commission in comparison to the Nepal average. Figure 5 compares the Ministries of Home and Finance against the Nepal average.

For the Public Service Commission, the figure shows that job satisfaction and the motivation to serve the public interest are similar when compared to the average institution in Nepal. Moreover, the intention to behave with integrity does hardly differ from the Nepal average. By contrast, inter-personal trust and the motivation to work hard are considerably higher than the average in Nepal. At the same time, civil servants are less committed to working in the public sector, the reasons of which may require further investigation by the leadership of the institution.

Comparing the Ministries of Home and Finance, the figure shows that public service motivation is high in both institutions. The level of inter-personal trust is also similar in both ministries. However, civil servants in the Ministry of Finance indicate lower levels of work motivation and appear to be slightly less inclined to behave ethically on the job than civil servants in the Ministry of Home and the Nepal average. By contrast, the civil servants in the Ministry of Home appear to indicate fairly similar attitudes than the Nepal average on all six dimensions of analysis.

Figure 4. Benchmarking institutions: Example 1

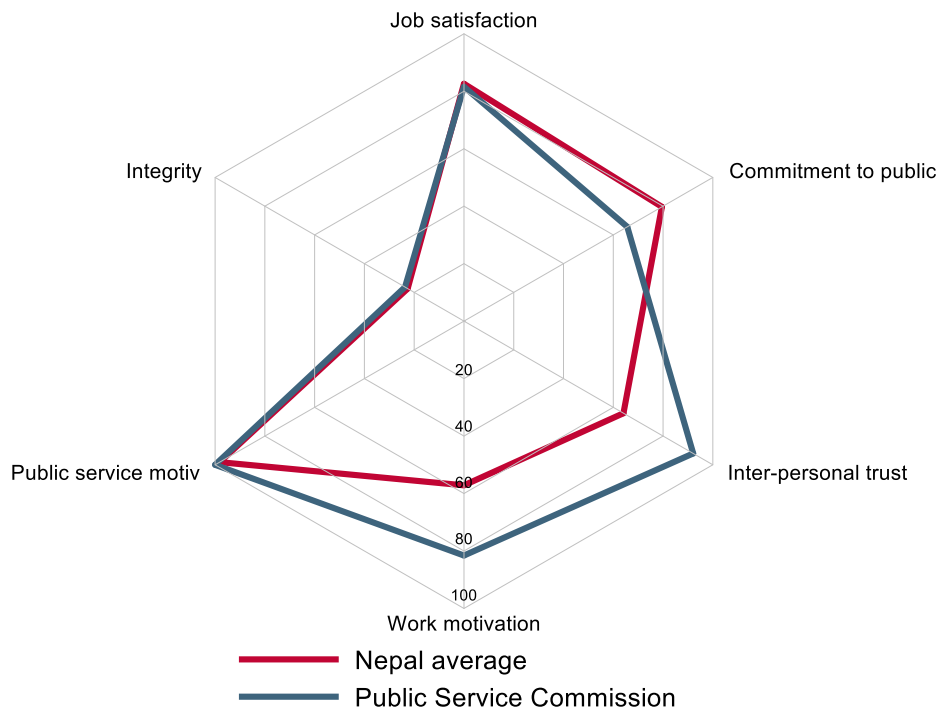
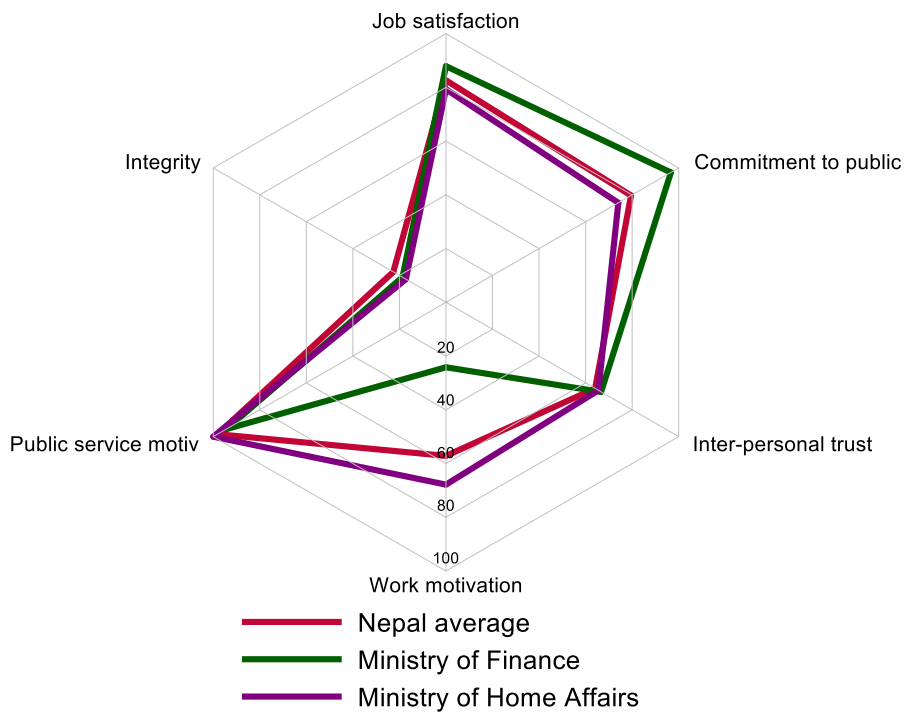


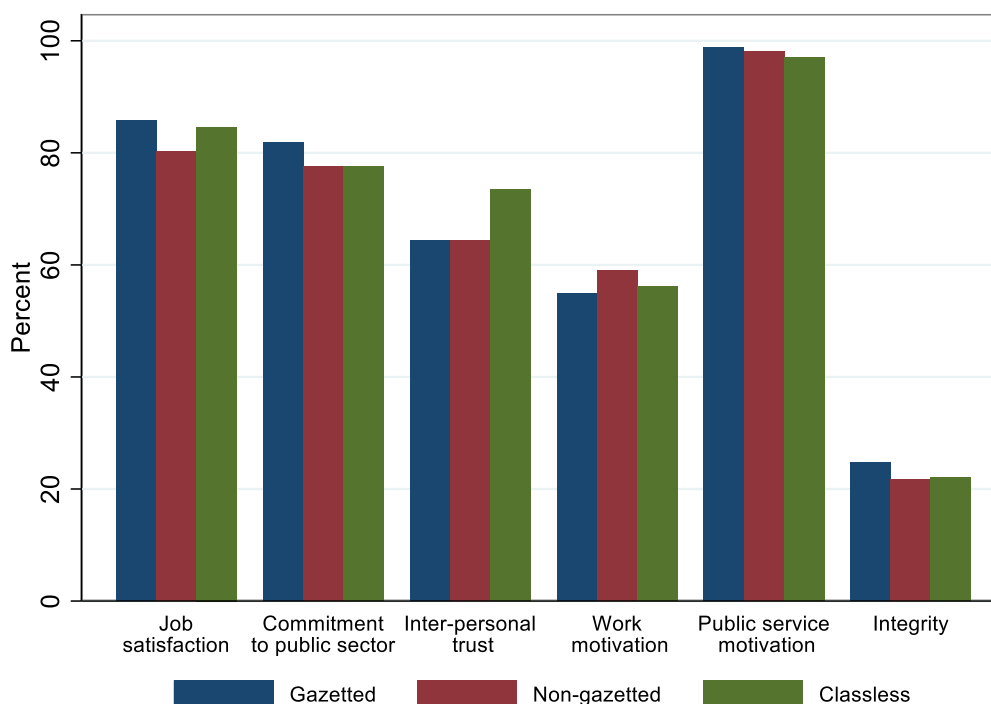
Figure 5. Benchmarking institutions: Example 2



2.1.4. Differences between groups of civil servants

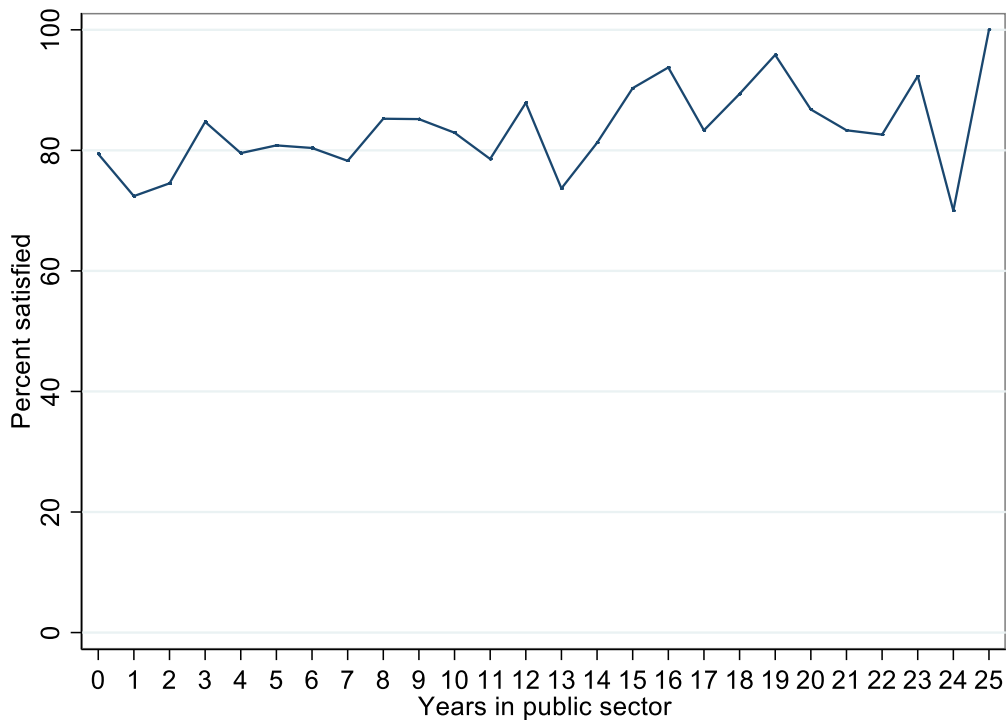
Differences in attitudes and behaviour are also evident across groups of civil servants. Gazetted civil servants are slightly more satisfied with their job, more committed to working in the public sector, more motivated to serve the public interest and more inclined to behave ethically in conflict of interest situations than non-gazetted and classless civil servants (Figure 6). However, they also appear to be less trusting than the average and relatively less motivated to work hard. When zooming in on managers only, the data confirms that the work motivation of managers is slightly lower than for technical-professional and administrative support staff.

Figure 6. Civil servants' attitudes by staff category



Differences are also evident – yet moderate in scale – when comparing civil servants across gender and age. Men, for instance, are slightly less committed to working in the public sector, they are slightly more motivated to work hard and slightly more inclined to behave ethically on the job. Differences between age groups are relatively small. Civil servants above the age of 40 years, tend to be more satisfied with their job, more trusting and more motivated to work hard than younger civil servants. Older civil servants also tend to behave more ethically on the job.

The relatively small differences across age groups are also captured when comparing levels of job satisfaction across years of experience in the public sector. Civil servants' satisfaction with their job dips slightly in the first couple of years after initial recruitment but – subject to minor fluctuations – increases over their lifetime in the civil service (Figure 7).

Figure 7. Job satisfaction by years of experience in the public sector

2.1.5. Conclusions and recommendations

The survey data shows, on average,

- Civil servants are satisfied with their job
- Civil servants trust their colleagues
- Committed to working in the public sector
- Motivated to serve the public interest
- With qualifications, motivated to work hard

However, civil servants indicate a willingness to behave unethically on the job, that is, they are inclined to use office equipment for private purposes and would, if offered, accept gifts and favours from clients and communities in the context of their work. These patterns of behaviour contradict the principles of integrity and impartiality on the job and may represent risks for more serious problems of corruption in the civil service.

Across the six types of civil servants' attitudes and behaviour, the survey identified important differences across institutions and groups of civil servants. Efforts to improve the quality of the civil service will therefore require considerable efforts by institutions, in particular, institutions that score low on one or several of the six dimensions. The Ministry of General Administration should support these institutions in particular and device general measures to improve the integrity of the civil service.

Part 2.2. Human resources management practices in Nepal

This part focuses on human resources management practices as key drivers of civil servants' attitudes and behaviour. It examines recruitment and selection, career advancement, performance evaluation, salary management, job protection, integrity management practices and the role of public service unions in human resources management.

The analysis of human resources management *practices* shows that merit recruitment procedures are widely used. However, personal connections are, in the respondents' own experience, important for getting a job in the civil service, while political connections play a smaller role.

Career advancement practices reflect the career-based civil service system in Nepal. Civil servants advance primarily on the basis of transfers within the civil service. Past performance is seen as important for career advancement. Personal as well as political connections play an important role for transfers to better positions.

Performance evaluations are widely practiced and seen to influence promotion prospects. Yet civil servants are ambivalent about the quality of the evaluation process and the consequences of performance ratings for dismissals and, in particular, pay increases.

Civil servants are, on average, dissatisfied with the salary system and consider salary levels to be insufficient to sustain their families. Compared to the private sector civil service salaries are regarded as un-competitive.

Civil servants are ambivalent about job security. They feel secure in their employment but do not do so in relation to their position within the civil service. They indicate that they may be transferred to other positions against their will for political reasons, while dismissal for political reasons are less common.

Integrity management is weakly developed in Nepal's civil service. While civil servants are aware of the official code of conduct, only a around a quarter of civil servants has ever participated in ethics training.

Civil service unions appear to play a smaller than conventionally assumed role in human resource management, by and large, limited to supporting career advancement and protecting members from dismissals and unwanted transfers.

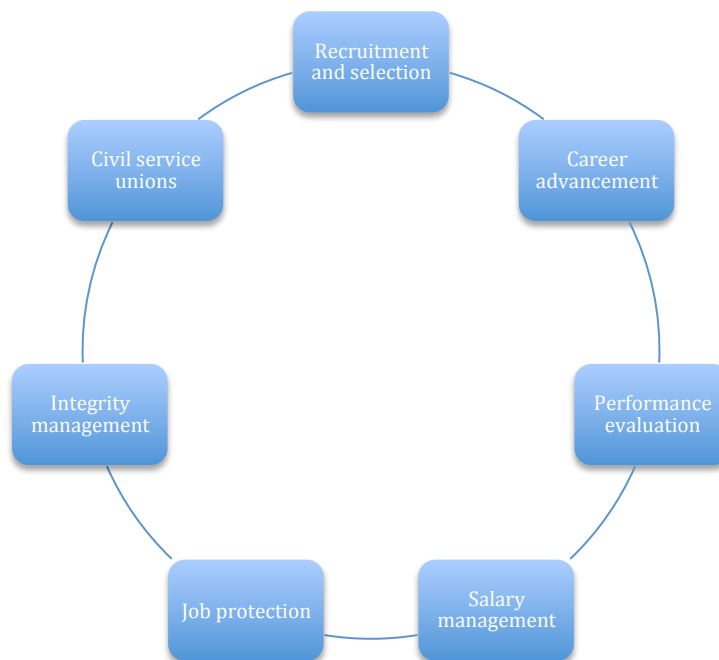
Analysis of the consequences of human resources management practices indicates that political connections in recruitment, career advancement and job protection practices are, on average, associated with negative consequences. The impact of personal connections and union involvement is shown to be negative for the integrity of civil servants. Conversely, performance orientation in career advancement and performance evaluations is associated with superior attitudes of civil servants. Moreover, an improvement of salary satisfaction has positive consequences for civil servants' attitudes in Nepal. Ethics training appears to have no effect on the ethical behaviour of civil servants.

The Ministry of General Administration and individual institutions with poorer records should focus on reducing politicisation, nepotism and union involvement in civil service management and on reviewing the integrity management system.

Job satisfaction, work motivation, inter-personal trust, public service orientation and a positive attitude towards ethical behaviour on the job are essential for the performance of public administration, citizen satisfaction and trust in public institutions. Which factors influence and shape these desirable attitudes and behaviours of civil servants? Based on the insights of research and practice in public administration and management, the civil service survey focused on the quality of leadership and the experience of civil servants with human resources management practices.

This part focuses on the quality of human resources management practices across the civil service in Nepal. Human resources management practices are a critical driver of civil servants' attitudes and behaviour and, as a consequence, the performance and integrity of public administration. This part distinguishes seven areas of human resources management summarised in Figure 8.

- Recruitment and selection practices including the public advertisement of job vacancies, written and oral examination and the role of merit and non-merit selection criteria, in particular, the importance of personal and political connections to get a job in the civil service.
- Career advancement practices including public competitions for promotion, internal competitions and transfers within and between institutions, the role of performance, political and personal connections to advance to a better position.
- Performance evaluation practices both in terms of process and consequences for promotion, pay and dismissal decisions.
- Salary management, in particular, civil servants' level of salary satisfaction, the perceived salary equality among civil servants, the competitiveness of salaries in relation to the private sector and the importance of different salary criteria such as performance and connections.
- Job protection, in particular, civil servants' contractual situation, their sense of job security, and the impact of poor performance and political change on prospects of dismissals and involuntary transfers within the civil service.
- Integrity management practices, in particular, participation in ethics training for civil servants and the awareness of the official code of conduct for civil servants.
- The role of civil service unions, in particular, the involvement of unions in recruitment, career advancement, salary management and protection from both dismissal and transfer. Union involvement is hence examined across human resources management practices to identify patterns and consequences in Nepal where civil service unions are traditionally seen to play an important role in public sector management.

Figure 8. Key areas of human resources management

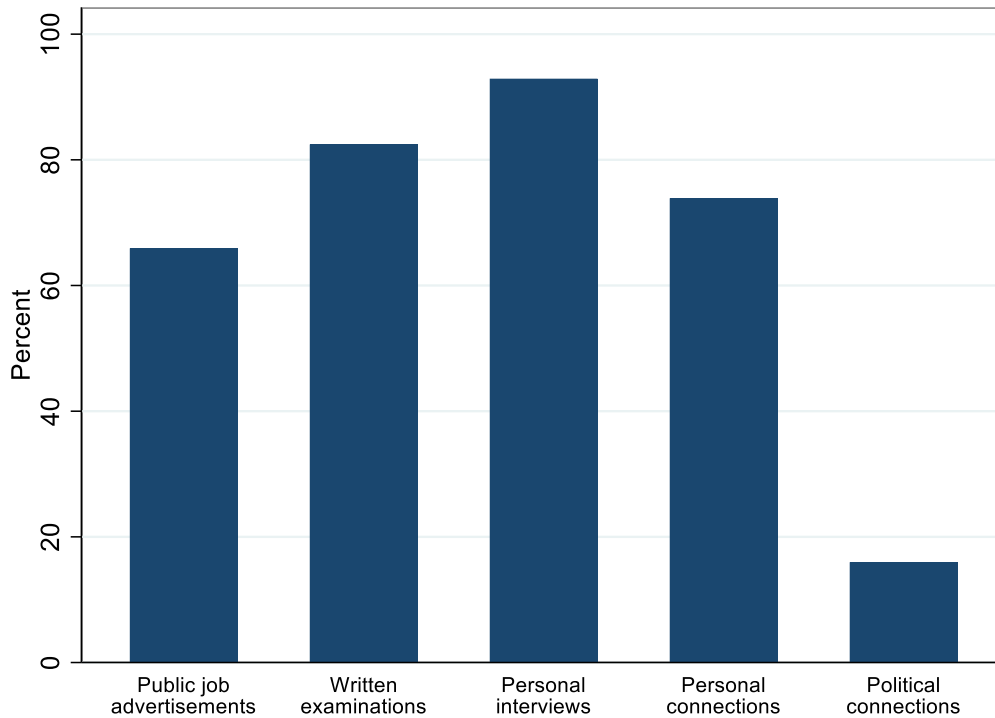
2.2.1. Recruitment and selection

In the area of recruitment and selection, the survey focused on merit recruitment practices in the civil service in Nepal. Merit recruitment is a key determinant of the performance and integrity of public administration. Accordingly, the survey assessed civil servants' experience with public job advertisements as opposed to informal channels of recruitment such as word of mouth, their experience with written examinations and personal interviews and the importance they attach to personal and political connections in getting their first job in the civil service. As shown in figure 9, in Nepal,

- 66 per cent of civil servants learned about their first job in the civil service thanks to a public job advertisement. The figures include either a job advertisement in a newspaper, on the web site of the Public Service Commission or on the web site of the institution that recruited the civil servant. Conversely, 51 per cent of civil servants found out about their first job either exclusively or additionally through 'word of mouth' and hence thanks to informal channels of information.
- 82 per cent of civil servants have passed a written examination before they were selected for their first job
- 93 per cent of civil servant sat a personal interview as a form of assessment for their first job in the civil service.
- For 74 per cent of civil servants personal connections such as help from family members, friends or other personal acquaintances inside public administration were at least somewhat important for getting their first job in the civil service.

- For 16 per cent of civil servants political connections such as support from a party, politician or person with political links were at least somewhat important for getting their first job in the civil service.

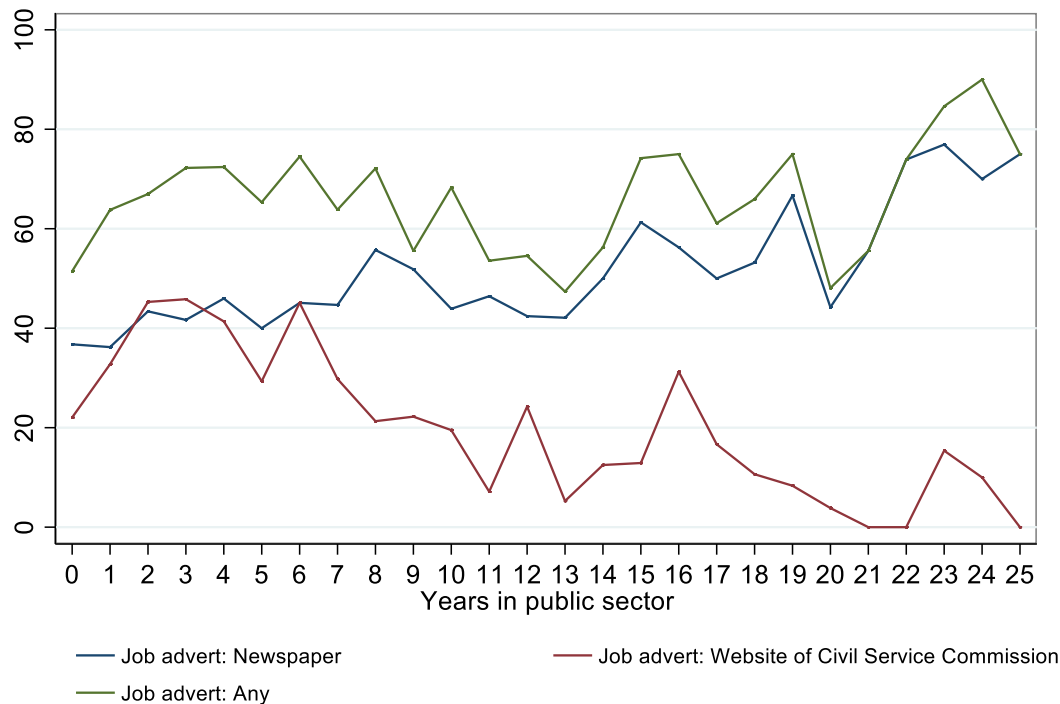
Figure 9. Recruitment and selection practices in Nepal



In comparison to Bangladesh, the overall proportions differ only slightly from the experience of civil servants in Nepal, in that merit recruitment procedures are applied slightly less often in Nepal. For instance, 91 per cent of civil servants passed an examination when entering the civil service and 97 per cent passed a personal interview. Yet, merely 41 per cent of civil servants indicate that personal connections helped them to get their first job in the civil service in Bangladesh, while 32 per cent indicated that they benefited from some sort of political support. Nepotistic recruitment is hence less relevant in Bangladesh, while politicisation is more widespread.

Closer analysis of the Nepal survey reveals important trends over time. Figure 10 shows that civil servants learned through public advertisements about job opportunities in the civil service for most of the time during the last 25 years. According to our data, there were short-term drops around 2003 to 2006 and earlier around 1997 and 1998. These were years of political instability, which appear to have affected the management of the civil service. Moreover, the figure shows how newspaper advertisements have become less important over time, while online advertisements have become gradually more relevant.

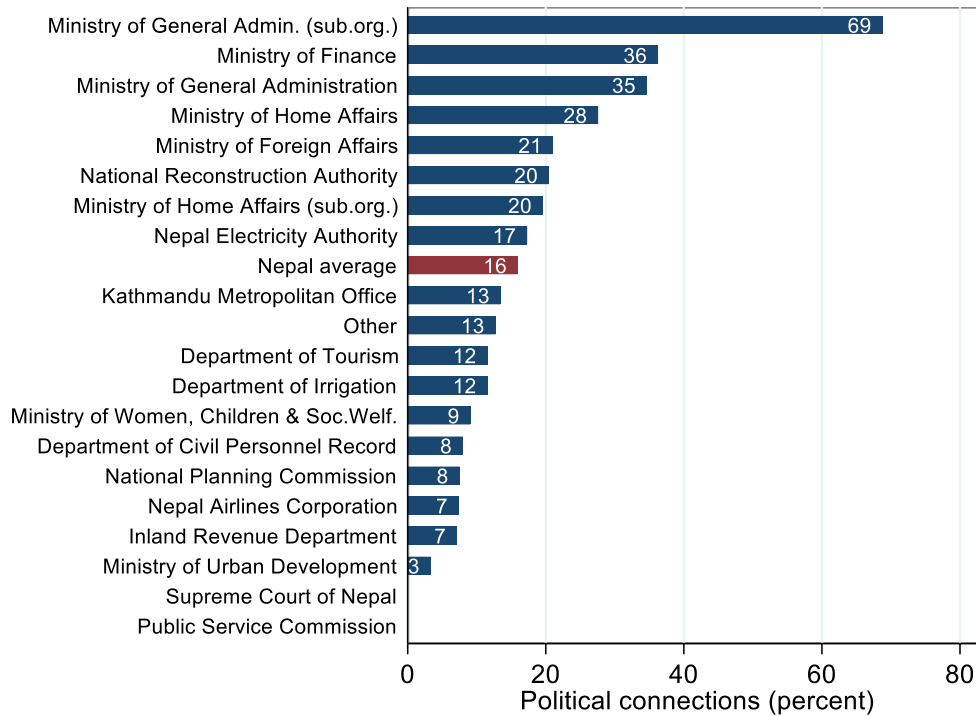
Figure 10. Job advertisements over time



Looking more closely within Nepal, the survey reveals that the experience with merit recruitment procedures is remarkably similar between ministries and subordinated organisations. The differences become more prominent when comparing individual institutions. Figure 11 follows up on the importance of political connections for hiring into the civil service. It shows a range from virtually no role for political connections in several institutions to 35 and 36 per cent of civil servants who attach at least some importance to political connections in the Ministries of General Administration and Finance respectively. In some of the subordinated organisations of the Ministry of General Administration, this figure runs as high as 69 per cent.

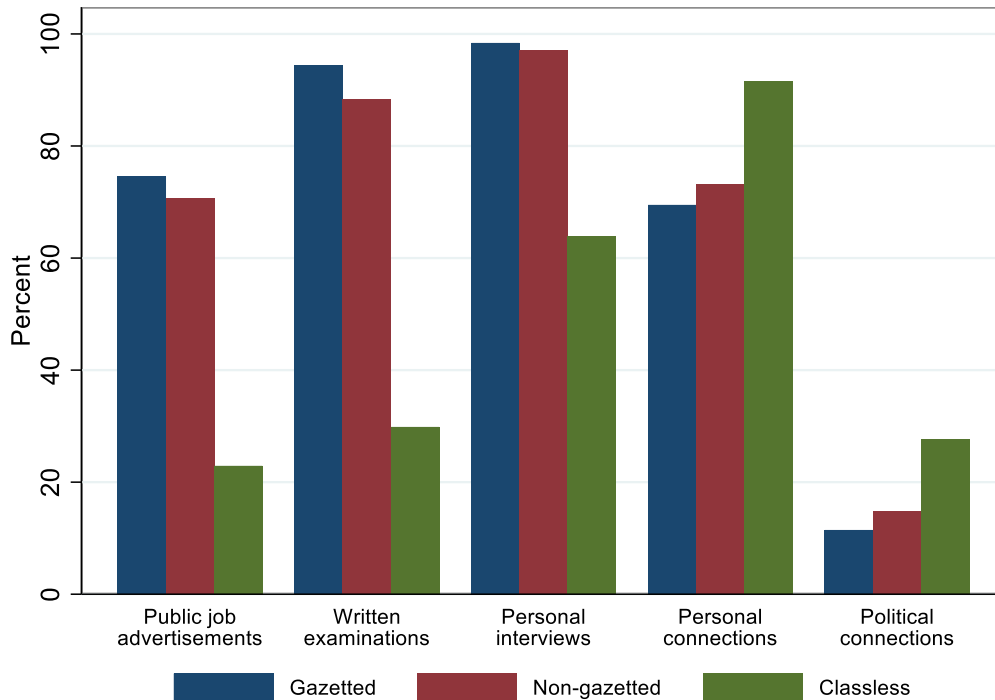
Figure 11. Importance of political connections during recruitment by institution

Civil service management in Nepal



Differences in recruitment practices are also very notable in relation to categories of staff (Figure 12). Gazetted and non-gazetted civil servants, for instance, are much more likely to have learned about their job through a formal job advertisement and they are more likely to have passed a written examination and a personal interview than classless civil servants. For instance, only 22 per cent of classless civil servants have found out about their job thanks to an official job advertisement, while 71 per cent indicate that they did so through word of mouth. Moreover, it is notable that both personal and political connection are much more important at the level of classless civil servants than for gazetted and non-gazetted civil servants.

Figure 12. Recruitment and selection practices across categories of staff



Finally, we conducted a statistical analysis to identify the consequences of recruitment practices on civil servants’ attitudes. The analysis suggests that recruitment on the basis of personal and political connections has negative effects on the integrity of civil servants. Yet the effect of personal connections appears to be less consistent. For instance, personal connections tend to be associated with more job satisfaction and more trust among civil servants. More evidence is required to trace the nature of the effect.

However, it is conceivable that the recruitment from well-established and closely-knit social networks is associated with more satisfaction and trust as well as more favouritism towards one’s personal network. The positive effect at the individual level may hence be seriously counterproductive at the level of institutional performance and integrity.

At the same time, the analysis shows that personal interviews and, with qualifications, written exams are associated with less politicisation and less nepotism in the area of recruitment and selection. In other words, the regular application of merit recruitment procedures to all ranks of civil servants has indirect positive effects on civil servants’ attitudes and behaviour.

2.2.1. Conclusions and recommendations

In Nepal, merit recruitment procedures are widely applied in practice. However, there are important differences across institutions and groups of staff. Gazetted and non-gazetted civil servants have directly experienced the application of merit recruitment procedures, while classless civil servants have done so to a much lesser extent. However, the effectiveness of merit recruitment procedures, especially job advertisements, will require further investigation.

Moreover, civil servants report that personal connections were remarkably important for getting their first job in the civil service with negative effects for the integrity of the civil service. Political connections are less relevant at the point of entry into the civil service, yet were also found to have a significant negative effect on civil servants' integrity on the job. In terms of action points, the findings suggest

- A need to reduce the role of both political and personal connections in recruitment and selection across the civil service, as this type of non-merit selection criterion is associated with less integrity in the civil service.
- A need to apply merit recruitment procedures, especially written examinations and personal interviews, to all ranks of civil servants to curb politicised and nepotistic recruitment.
- A need to address differences in the importance of political and personal connections across institutions, as connections have negative consequences for civil servants' integrity.

2.2.2. Career advancement

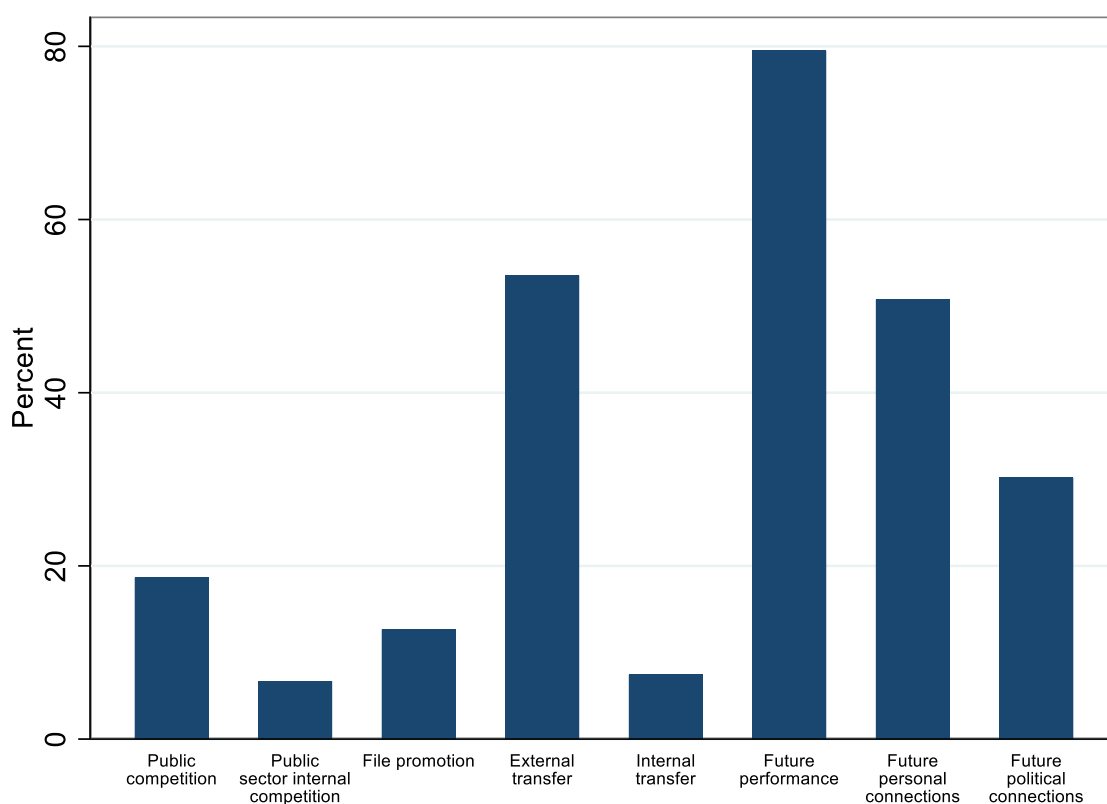
In the area of career advancement, Nepal has traditionally maintained a career-based system that focuses on seniority-based promotions and regular transfers between positions within the civil service. Accordingly, the survey assessed the career mobility of civil servants, the procedure through which they advanced to their current position and the role of key advancement criteria such as past performance, political and personal connections.

The findings confirm the career-based character of the civil service system in Nepal, in that the majority of civil servants advance on the basis of transfers between institutions. However, public competitions and file promotions that rely on a mix of seniority and performance are not unusual in Nepal. Indeed, career advancement is in most cases based on past performance in the civil service, even if nearly half of all civil servants indicate that both personal and political connections will help them to advance to a better position in the future. In particular, the role of political connections is noteworthy, as they are evidently important for transfers to better positions but were shown to play a secondary role during the initial recruitment into the civil service. As shown in Figure 13,

- Civil servants have, on average, worked in 3.03 different institutions since joining the civil service.
- 19 per cent of civil servants have undergone a public competition that involves candidates from within and outside the civil service to advance to their current position. A smaller proportion of 7 per cent has undergone restricted competitions against other candidates from the civil service.
- File promotions that focus on years of experience have preceded the advancement to a better position for 13 per cent of the civil servants.
- Transfers are the most frequent form of career advancement. 54 per cent of civil servants have advanced thanks to an external transfer from one institution to another. 7 per cent have advanced thanks to an internal transfer within their own institution.

- 79 per cent of civil servants indicate that good performance in their current job is important or very important for promotions to better positions in the future.
- 51 per cent of civil servants indicate that personal connections to family, friends or other acquaintances are at least somewhat important for when advancing to a better position in the future.
- 30 per cent of civil servants indicate that political support from parties, politicians or persons with political links is at least somewhat important when moving to a better position in the future.

Figure 13. Career advancement practices and the criteria determining career advancement



Comparing career advancement practices to Bangladesh, the survey evidence suggests fairly similar patterns. 54 per cent of civil servants have advanced to their current position through external or internal transfers, 18 per cent have advanced thanks to a competitive process and 22 per cent as a result of a seniority-based process similar to file promotions in Nepal. In relation to advancement criteria, the survey indicates that nearly 48 per cent of civil servants admit that personal connections are somewhat relevant for advancement to a better position in the future. Nearly 56 per cent identify political connections as at least somewhat important. The differences between Nepal and Bangladesh are hence small.

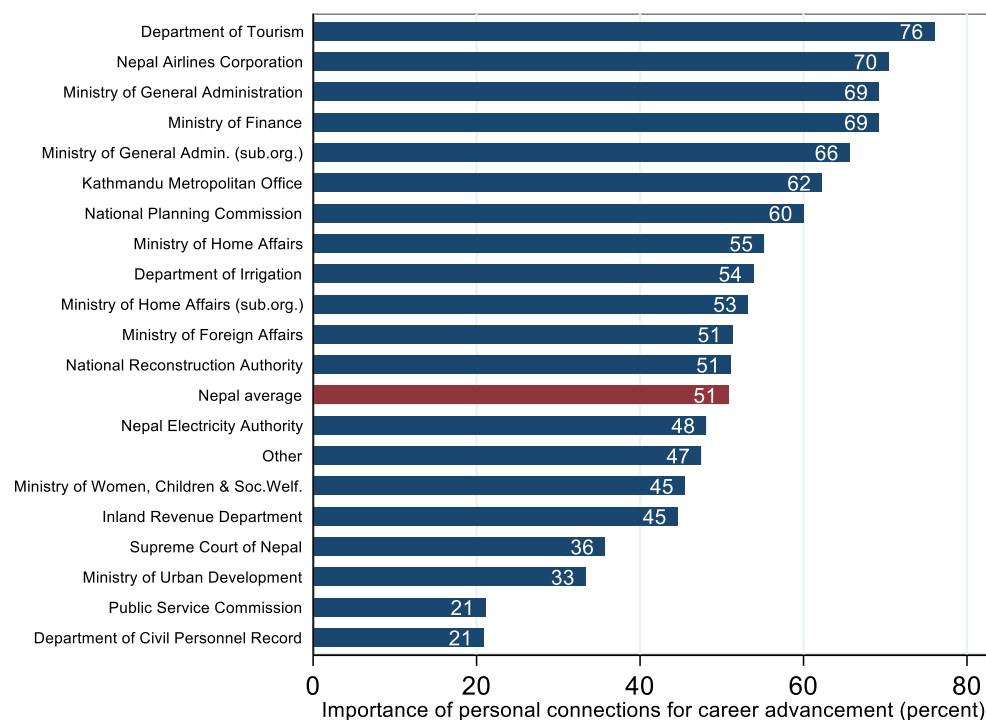
Comparing career advancement practices within Nepal, the survey shows few differences between ministries and subordinated organisations in relation to advancement procedures. However, advancement criteria differ in that personal and

political connections are more important in ministries than in subordinated organisations.

Comparing across individual institutions, differences are starker (Figure 14). In some cases such as the Ministry of Women, Children and Social Welfare less than 30 per cent of the civil servants advanced to their current job by means of a lateral transfer. In others such as the Department of Civil Personnel Records, more than 80 per cent did so.

Similarly advancement criteria differ considerably across institutions. Personal connections for future promotions and transfers to favourable positions is seen as somewhat important by more than 70 per cent of the civil servants in the Department of Tourism, while merely 21 per cent of the civil servants believe so in the Public Service Commission and the Department of Civil Personnel Records.

Figure 14. Importance of personal connections for future career advancement



The complementary statistical analysis indicates that career advancement thanks to public or internal competitions does not affect the attitudes of civil servants. However, civil servants who advanced as a result of a lateral transfer tend to be more satisfied with their jobs, more trusting and more motivated to work hard. It appears that the system of regular transfers between institutions is hence accepted and appreciated by civil servants in Nepal. Similar to recruitment practices, the analysis of career advancement practices shows that both personal and political connections are associated with less integrity on the job.

2.2.2. Conclusions and recommendations

In summary, career advancement practices reflect primarily the career-based character of the civil service system in Nepal. Transfers and seniority-based promotions are widely practised while public competitions are relatively less important. Performance is essential for career progression but political and personal connections play an important – at least supplementary – role. Compared to recruitment and selection, the importance of non-merit criteria increases for career advancement processes. In terms of action points, the focus of attention should be placed on

- Reducing the role of both personal and political connections in career advancement, as they are associated with less integrity in the civil service.
- Taking into account that career advancement practices differ across institutions and hence encourage especially weakly performing institutions to improve their internal practices.

2.2.3. Performance evaluation

Performance evaluations are an essential component of performance management in public sector organisations. Yet the quality of their implementation is often contested. The survey in Nepal assessed the performance evaluation practices in relation to the frequency of evaluations, the quality of the process (proxied by whether performance objectives are agreed before the beginning of the evaluation period and whether outcomes are subsequently discussed by appraiser and appraisee), and the consequences of performance ratings on prospects of promotion, pay increase and dismissal from the civil service.

The findings are mixed (Figure 15 and 16). On the one hand, it is evident that performance evaluations are regularly conducted. It is also evident that performance objectives are usually agreed in advance and that performance rating affect the career progression of civil servants. However, the survey results raise other concerns about the wider process and the consequences of performance evaluations, in particular, in relation to the provision of performance feedback to civil servants and the impact of performance ratings for remuneration and dismissal decisions. To be more specific,

- On average, civil servants underwent 2.33 performance evaluations during the last two years. 57 per cent were evaluated twice during the last two years, which implies one evaluation per year in accordance with the legal basis. 29 per cent were evaluated more than twice during the last two years. 15 per cent were evaluated once or never during the last two years.
- Looking at the process of evaluation, 75 per cent of civil servants agree or strongly agree that performance objectives were agreed before the beginning of the evaluation period.
- 22 per cent agreed or strongly agreed that they discuss the results of the performance evaluation with their superior. This indicates that civil servants are effectively not given feedback on their performance after the assessment period.

- 62 per cent of civil servants agree or strongly agree that hard work will lead to better performance ratings.
- 78 per cent of civil servants indicate that a good performance rating improves their prospect of promotion.
- 39 per cent of civil servants believe that a bad performance rating may lead to their dismissal from the civil service.
- Merely 13 per cent of civil servants agree or strongly agree that a good performance rating will lead to a salary increase. This indicates that the link between performance evaluations and salary management is very weak indeed.

Figure 15. Frequency of performance evaluations in Nepal

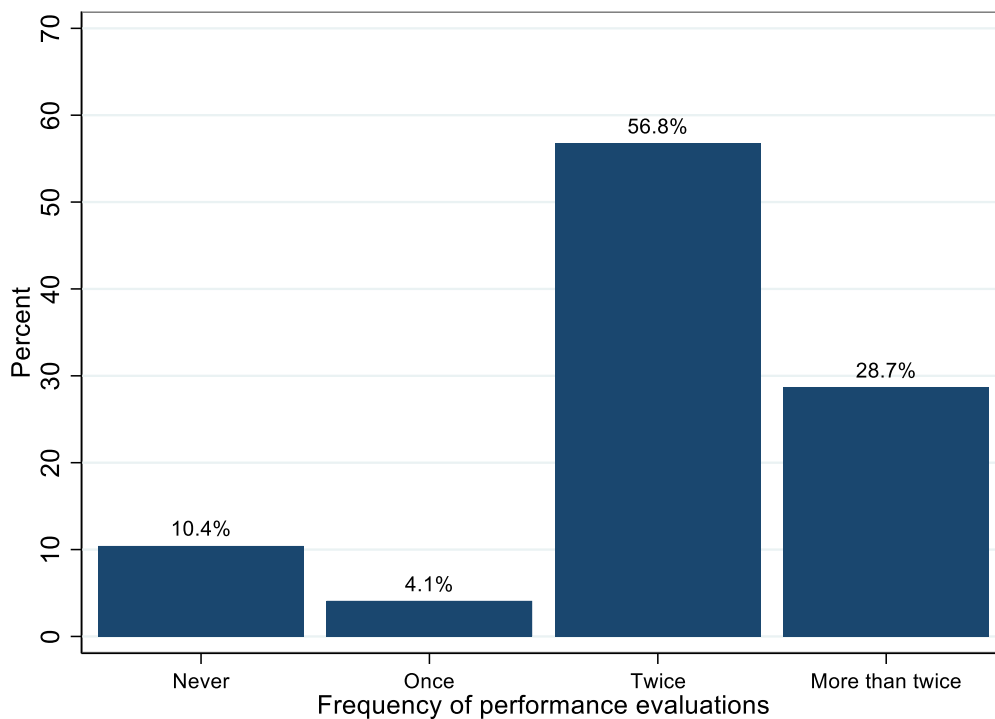
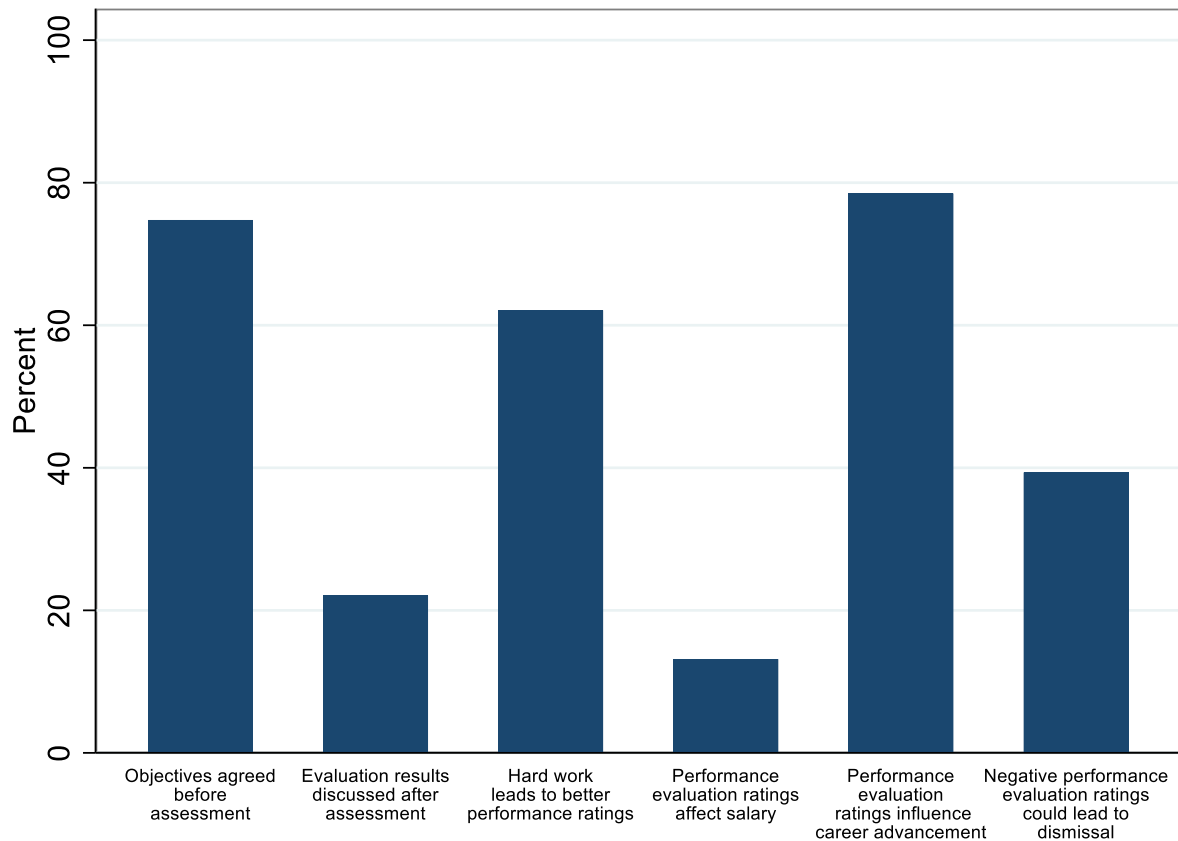
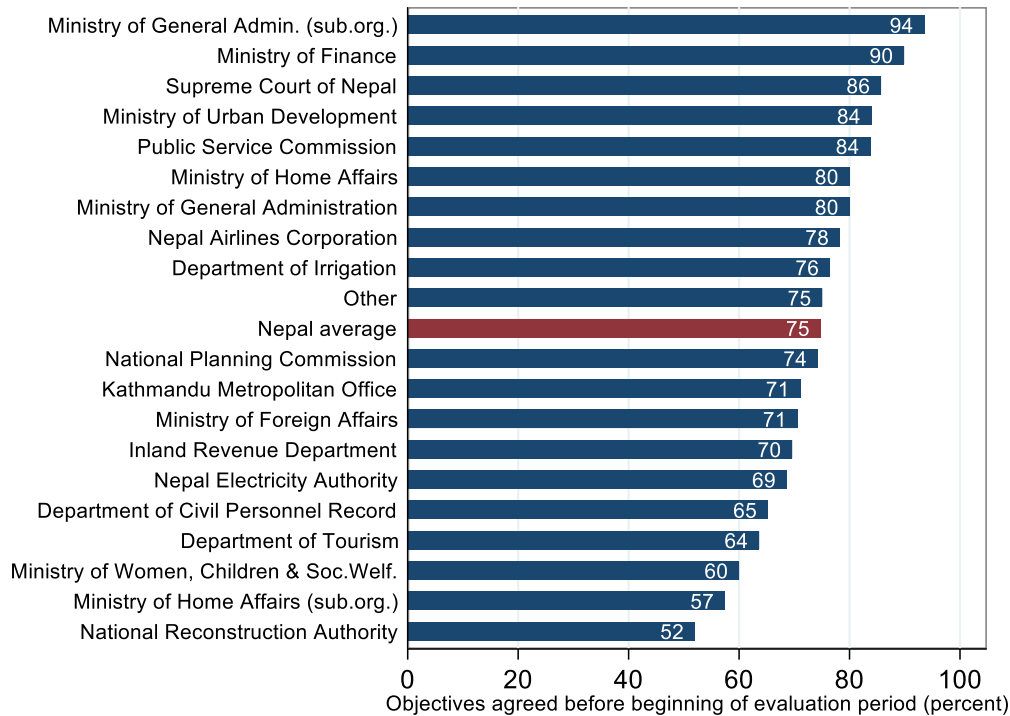


Figure 16. Performance evaluation practices in Nepal



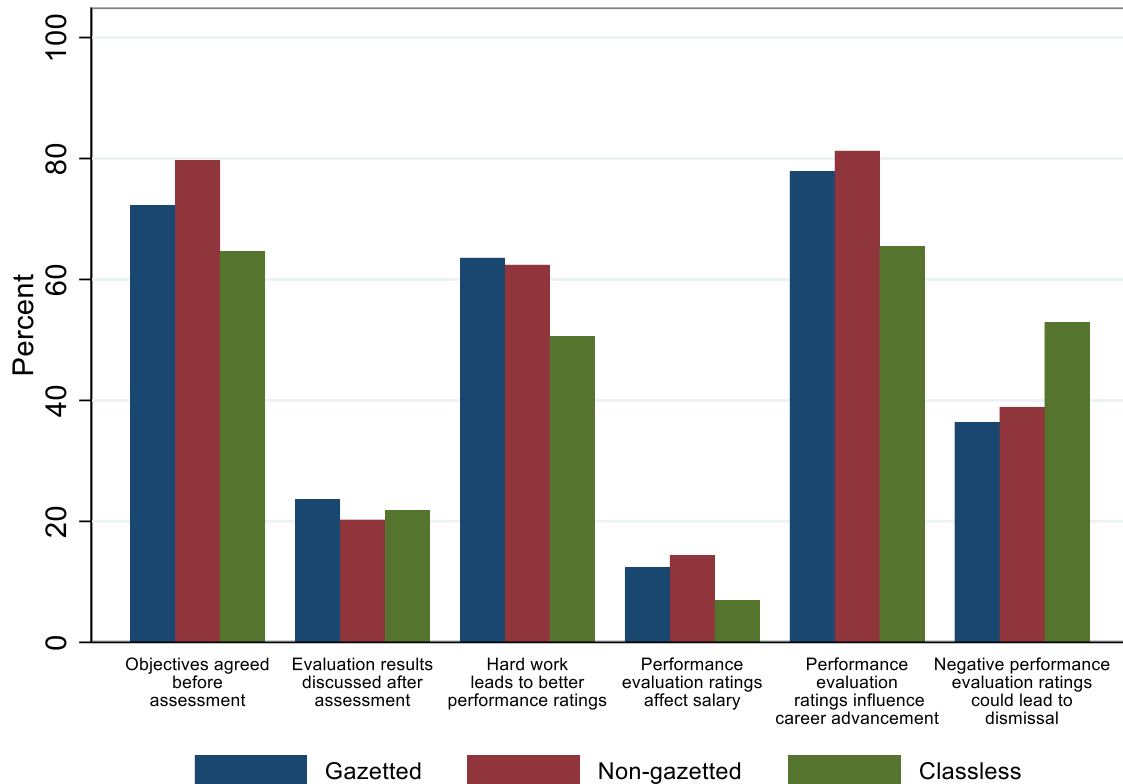
Differences in performance evaluation practices are evident when comparing individual institutions. In the Inland Revenue Department, for instance, civil servants took, on average, 3.2 evaluations during the last two years. However, there is no evidence that this is accompanied by a larger proportion of civil servants who agree performance objectives before the beginning of the assessment period, discuss results afterwards and indicate positive effects on promotions and pay decisions. Indeed, while performance objectives are mostly agreed in advance, it is evident that this practice is less common in several institutions such as the National Reconstruction Authority (Figure 17).

Figure 17. Agreement of performance objectives before the beginning of the evaluation period



Differences in performance evaluation practices are also evident in relation to ranks and levels of responsibilities (Figure 18). Gazetted civil servants, for instance, took a performance evaluation on average 3.2 times during the last two years. By contrast, the performance of non-gazetted and classless civil servants was evaluated only 1.9 and 1.3 times respectively. The differences between civil service ranks are less notable when comparing civil servants' perspective on the process and consequence of performance evaluations. Gazetted and non-gazetted civil servants identify a slightly larger link between performance evaluations and promotions as well as pay decisions. By contrast, classless civil servants indicate a greater influence of negative performance evaluations on potential dismissal decisions. Evidently, performance evaluations are used to prepare and justify the dismissal of classless civil servants.

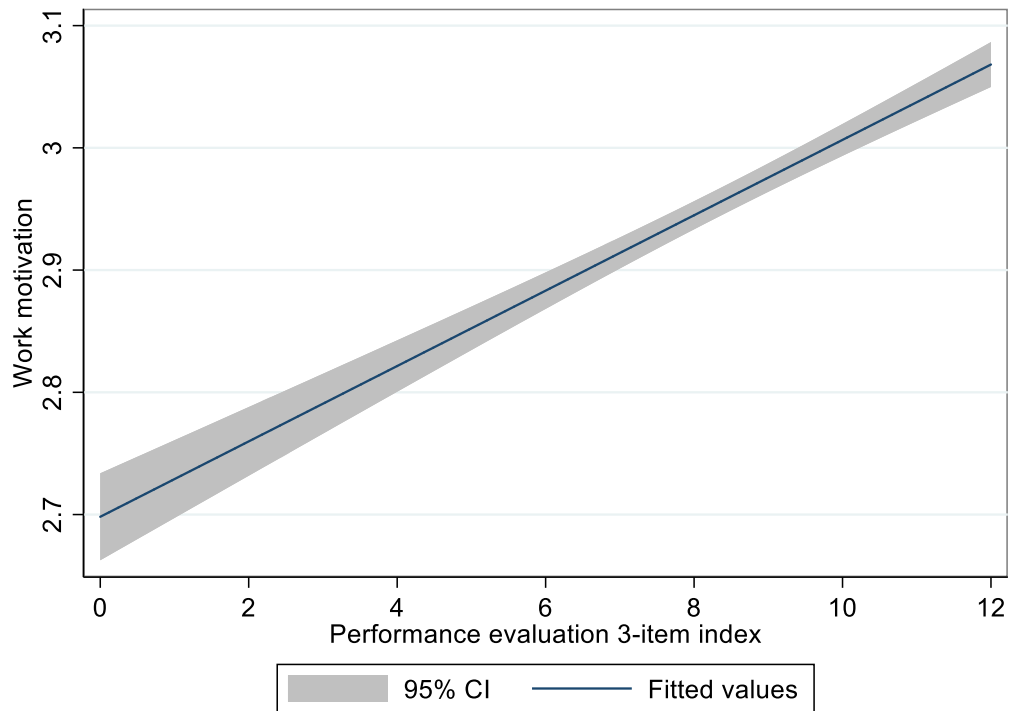
Figure 18. Performance evaluation practices across categories of staff



The statistical analysis shows that performance evaluation practices have wide-ranging consequences for civil servants’ attitude and behaviour. The practice of setting performance objectives before the assessment period raises the work motivation of civil servants. A perceived link between performance ratings and career advancement has various positive effects on civil servants’ work motivation, their public service motivation and their trust in colleagues at the work place.

Figure 19 combines three features of the performance evaluation process (setting objectives before the assessment period, hard work leads to better performance rating and performance ratings influence career advancement) to show the positive effect on work motivation. A well-implemented performance evaluation process can raise the level of work motivation by approximately half a point on a 0 to 4 scale.

Figure 19. Consequences of performance evaluation practices on work motivation



The evidence further suggests that the linkage between performance evaluations and dismissals has negative consequences for civil servants' work motivation, public service motivation, job satisfaction and trust among civil servants. It does evidently not lead to better outcomes as might be expected by incentive-based approaches to personnel management. Instead, the fear of punishment for poor performance may lead to negative side effects on the attitudes of civil servants, possibly by raising their anxiety.

2.2.3. Conclusions and recommendations

The effective implementation of performance evaluations is a key component of the professionalisation of the civil service in Nepal. The survey shows that civil servants are regularly evaluated. A large majority also believes that performance objectives are agreed in advance, that their work performance is reflected in the performance ratings and that performance ratings affect their prospects of career progression.

However, the process can be improved insofar as performance outcomes are rarely discussed with superiors. Moreover, the use of performance evaluations to decide on dismissal appears to have negative consequences for civil servants' attitudes and behaviour.

For the Ministry of General Administration, this suggests that efforts to improve performance evaluation practices will be beneficial, in particular, when bearing in mind the positive effect of good practices on civil servants' attitudes.

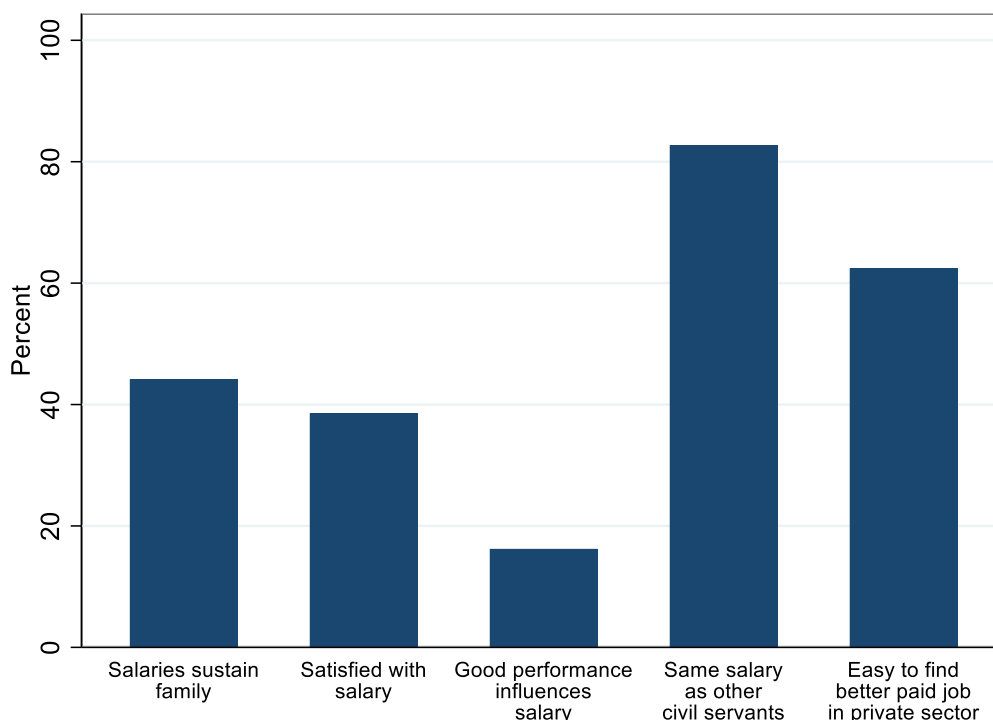
2.2.4. Salary management

In relation to salary management, the survey assessed the satisfaction of civil servants with their overall salary and the extent to which their salary is sufficient to sustain their families. In addition, the survey assessed the link between performance at work and salary levels, the extent to which civil servants in similar positions receive similar salaries and the extent to which civil service salaries are competitive relative to the private sector.

The findings are mixed. A majority of civil servants is dissatisfied with their salary and regards their salary as insufficient to maintain their family. Salary levels are seen as uncompetitive relative to private sector salaries. Good performance is rarely rewarded with higher salary levels for civil servants. However, civil servants are positive with regard to salary equality, that is, the principle of equal pay for equal work in the civil service. As Figure 20 shows,

- 44 per cent of civil servants agree or strongly agree that their salary is sufficient to sustain their family.
- 39 per cent of civil servants are satisfied with their salary.
- Only 16 per cent believe that good performance will lead to a higher salary.
- 83 per cent of civil servants agree or strongly agree that they are paid the same salary compared as civil servants who work in similar positions.
- 62 per cent of civil servants indicate that they could easily find a better-paid job in the private sector. This finding reflects that public sector salaries are, for most civil servants, seen as low relative to private sector salaries.

Figure 20. Perceptions of salary management in Nepal

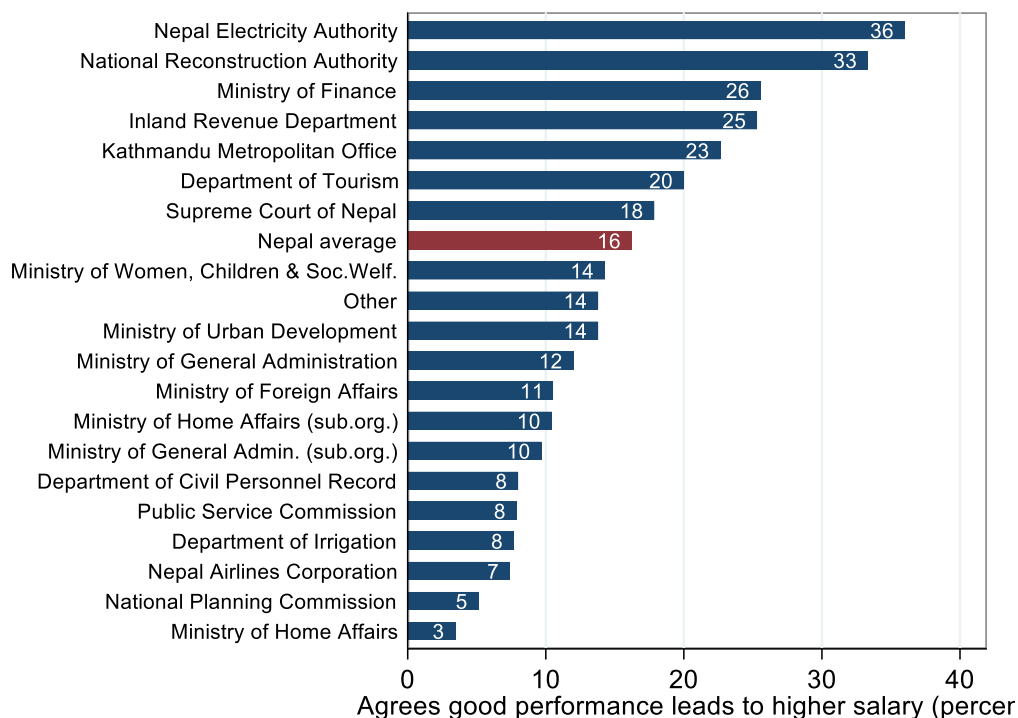


In the survey, we further explored to what extent civil servants are engaged in paid activities besides their civil service job. Ancillary jobs are regulated by the Civil Service Law. According to supplementary evidence, 76 per cent of civil servants are 'not' involved in additional paid jobs. Among the civil servants who do receive supplementary income, most do so through teaching activities. Private sector consultancy, private company ownership or additional private sector employment are unusual. A proportion of 15 per cent regularly help out their family business without formal payment.

Compared to Nepal, civil servants in Bangladesh are more positive with regard to salary management. 52 per cent are satisfied with their salary, 45 per cent indicate that they regard their salary as sufficient to sustain their family and 81 per cent agree that salary equality across the civil service is high. Yet only 14 per cent find that good performance would lead to a salary increase. 30 per cent believe that they could easily find a better-paid job in the private sector, which indicates a higher competitiveness of public sector jobs in Bangladesh.

There are relevant differences across institutions and categories of staff. For example, salary satisfaction ranges from 65 per cent in the Nepal Electricity Authority to 24 per cent in the Ministry of Finance. Similarly, the performance orientation of salary decisions is considerably higher in the Nepal Electricity Authority and the National Reconstruction Authority than in the National Planning Commission and the Ministry of Home Affairs where there appears to be almost no connection at all between work performance and salary rises (Figure 21).

Figure 21. Good performance leads to higher salary



Yet variation in perceptions of salary management can also be observed in relation to categories of staff. Gazetted and non-gazetted civil servants, for instance, are less satisfied with their salary level (both at 37 per cent) than classless civil servants (51 per cent). Similarly, gazetted and non-gazetted civil servants believe that they could find a better-paid job in the private sector much more easily (67 and 63 per cent respectively) than classless civil servants (42 per cent). The civil service therefore appears to present particularly attractive employment opportunities for less qualified, low-ranking civil servants.

The statistical analysis demonstrates that the perception of salary management has major effects on civil servants' attitudes and behaviour. Salary satisfaction has a significant positive effect on job satisfaction, work motivation, trust among colleagues and the integrity of civil servants. Perceived salary sufficiency is associated with more job satisfaction but – perhaps surprisingly – with less public service motivation.

Performance-oriented pay is not found to have any positive effects. To the extent that any significant effects have been identified, they pertain to a small negative effect on the intention to behave ethically on the job. Less surprisingly, the availability of better-paid jobs in the private sector has a negative effect on job satisfaction.

2.2.4. Conclusions and recommendations

Civil servants in Nepal are, on average, dissatisfied with the salary system. They are dissatisfied with their salary level, consider their salary to be insufficient and uncompetitive relative to private sector salaries. Yet, perceived salary equality is high in Nepal. The perception of salary management also differs considerably across institutions and categories of staff. Low levels of salary satisfaction among gazetted and non-gazetted civil servants appear to be most costly for the civil service, as they are associated with less job satisfaction, work motivation, integrity and trust among civil servants.

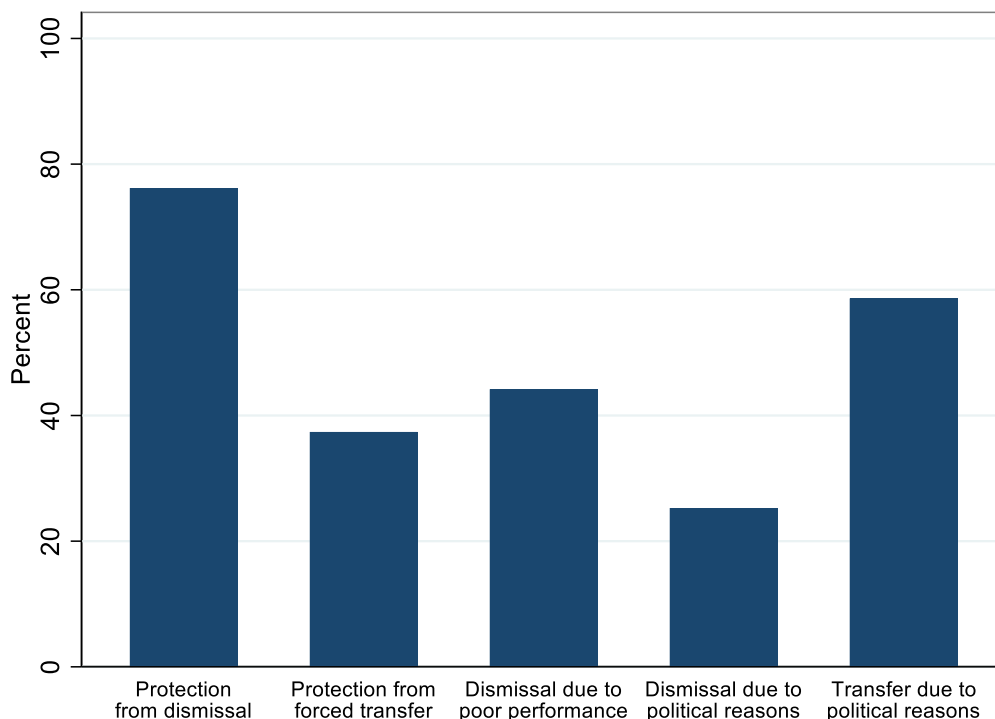
For the Ministry of General Administration this presents a challenge, as efforts to improve the salary management practices maybe financially costly for the Government. However, a case may be made for measures to enhance salary satisfaction among gazetted and non-gazetted civil servants relative to classless civil servants in any review of the salary system in the future.

2.2.5. Job protection

This section of human resources management examines the experience of civil servants with employment security and the risk of involuntary dismissal and transfer. The survey indicates that civil servants in Nepal are ambiguous in their perception of job stability (Figure 22). On the one hand, they perceive a high degree of employment security including protection from political dismissal. On the other hand, they perceive a low degree of job stability within the civil service, that is, there appears to be little protection against involuntary transfers. Moreover, political reasons may play a major role in determining unwanted transfers within the civil service. To be more specific,

- 76 per cent of civil servants agree or strongly agree that it is difficult to dismiss them from the civil service.
- Yet merely 37 per cent of civil servants agree or strongly agree that it is difficult to transfer them against their will.
- 44 per cent indicate that they may be dismissed from the civil service if they performed poorly on the job.
- 25 per cent of civil servants agree or strongly agree that they might be dismissed for political reasons.
- However, 59 per cent of civil servants agree or strongly agree that they might be transferred away from their positions for political reasons against their will.

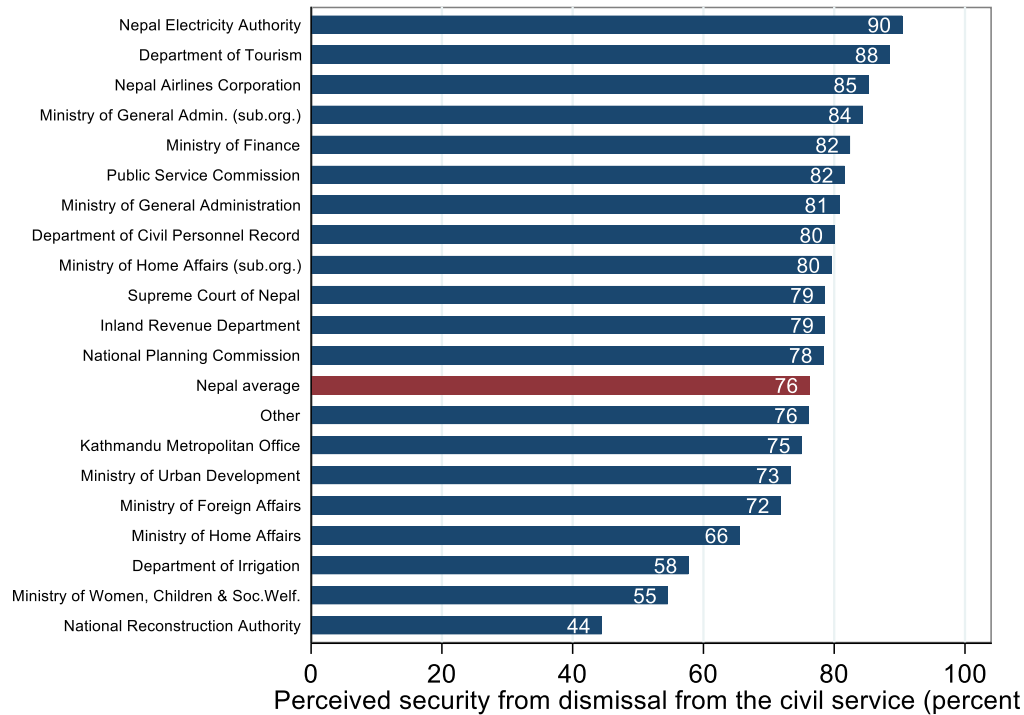
Figure 22. Perceptions of job protection in Nepal



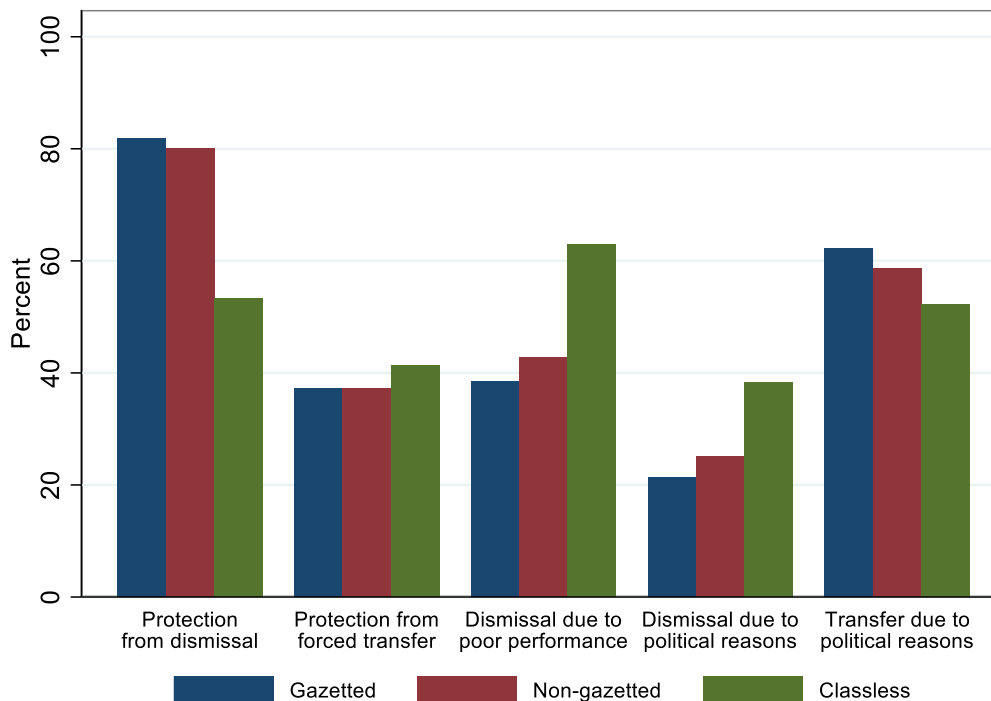
In comparison, civil servants in Bangladesh have a very similarly high level of employment protection but low level of protection from unwanted transfers. In Bangladesh, 64 per cent of civil servants believe that it is difficult to dismiss them but only 26 per cent agree or strongly agree that it is difficult to transfer them against their will. 31 per cent believe that they can be dismissed for poor performance. 40 per cent indicate that they can be dismissed for political reasons but 63 per cent believe that they could face an involuntary transfer for political reasons.

Within Nepal, there are considerable differences institutions (Figure 23). Looking at the basic sense of employment security, it is well above 70 per cent of agreement for the majority of institutions from which the survey secured a large enough number of respondents. However, in some institutions such as the National Reconstruction Authority, this proportions fall below 50 per cent.

Figure 23. Perceptions of job protection across institutions



Relevant differences are also evident across groups of civil servants (Figure 24). For instance, classless civil servants perceive a lower degree of employment security and they are more likely to expect a dismissal on performance grounds or for political reasons. By contrast, gazetted and non-gazetted civil servants enjoy a greater sense of employment security. However, according to their perception transfers between positions are significantly more politicised. The evaluation of job protection practices therefore reinforces the finding that political connections are secondary for civil service entry and dismissal but they play an important role when it comes to career progression and both wanted and unwanted transfers between positions within the civil service.

Figure 24. Perceptions of job protection across categories of staff

The complementary statistical analysis suggests that perceived employment security is associated with higher work motivation and greater job satisfaction. The fear of political dismissals, conversely, has negative effects, in particular, on public service motivation.

Interestingly, protection from involuntary transfers is not associated with positive outcomes. Rather, the more civil servants feel protected from unwanted transfers, the less they are motivated to work hard, serve the public and trust their colleagues. This is a finding that will require further inquiry, as it suggests a high degree of acceptance of the job insecurity within the civil service.

2.2.5. Conclusions and recommendations

Civil servants in Nepal perceive, in general, a high degree of employment security but a low degree of protection from unwanted transfers between positions within the civil service. Similarly, politicisation is moderately relevant for dismissals but remarkably important for transfers between positions. Patterns of career progression and job protection are hence very similar in Nepal.

Even if the transfer practices in Nepal have often been criticised, their impact on the attitudes and behaviour of civil servants is mixed. Perceived protection from unwanted transfers reduces – rather than increases – public service motivation, trust and work motivation. By contrast, the risk of political dismissal is clearly associated with less public service motivation.

The potential for performance-based dismissals is recognised by civil servants but current practices appear to have neither positive nor negative consequences for attitudes and behaviour of civil servants.

For the Ministry of General Administration, the findings suggest that high levels of employment protection should be retained rather than undermined in the context of managerial reforms. In fact, the negative effects of a perceived lack of employment security and a perceived risk of political dismissal suggests that classless civil servants may benefit most from a greater – rather than lower – degree of employment security.

2.2.6. Integrity management

Integrity management in the civil service has become increasingly prominent in developed and developing countries during the last two decades. In particular, growing concerns over corruption in the public sector have led national governments and international organisations to develop and promote varieties of integrity management initiatives for the civil service. The most common instruments centre on ethics training that aim to increase awareness and provide guidance for civil servants to resolve ethical dilemmas in the work context. In addition, codes of ethics have been adopted that variously aim to guide civil servants to behave ethically at work.

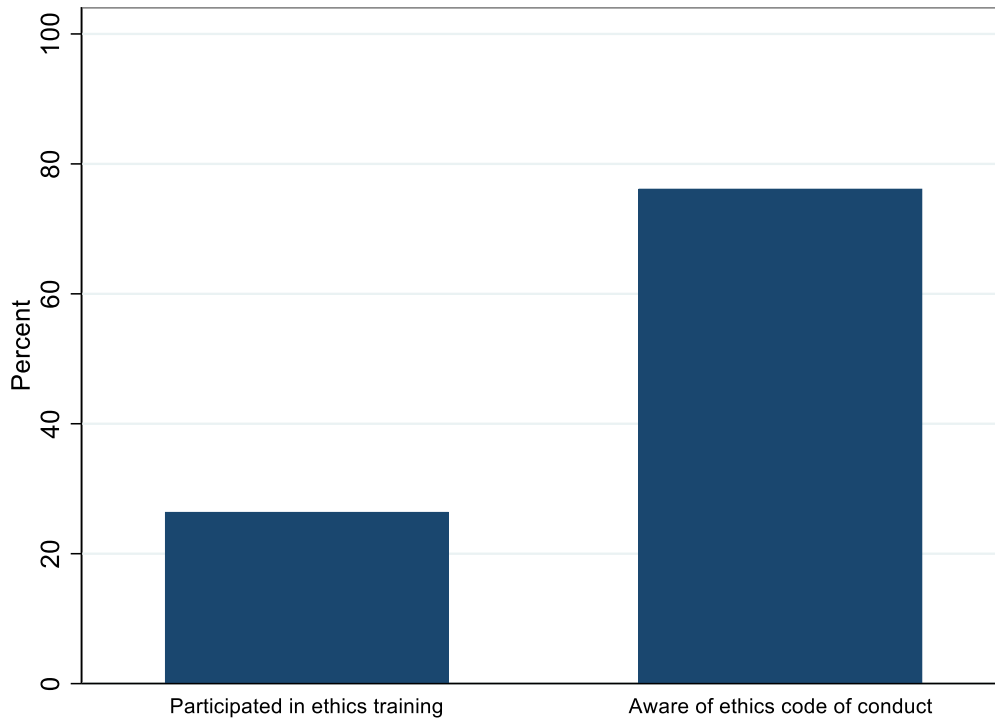
The civil service survey in Nepal focuses on these two principal integrity management tools: ethics trainings and awareness of a code of ethics or equivalent. In Nepal, the Public Service Commission has a particular interest in measuring problems of unethical behaviour in the civil service and to devise training and assessments methods to enhance both ethical awareness and behaviour of civil servants. Accordingly, the survey asks for participation in ethics training and the type of training civil servants have received.

In relation to ethics code awareness, Nepal has long had a general code of conduct for the civil service. In theory, all civil servants should be aware of its existence, they should know its contents and use it to guide their behaviour on the job. However, it is an empirical question to what extent civil servants are actually aware of the code of conduct.

The findings shown in Figure 25 indicate that the majority of civil servants know about the existence of the code but only a small proportion of civil servants has ever received ethics training. To be more specific,

- 26 per cent of civil servants have participated in ethics training at least once during their career. 17 per cent have participated in ethics training more than once during their career. In absolute terms, this is a small proportion of ethics training participation in the civil service.
- 85 per cent of civil servants are aware of the existence of the code of conduct of the civil service in Nepal.

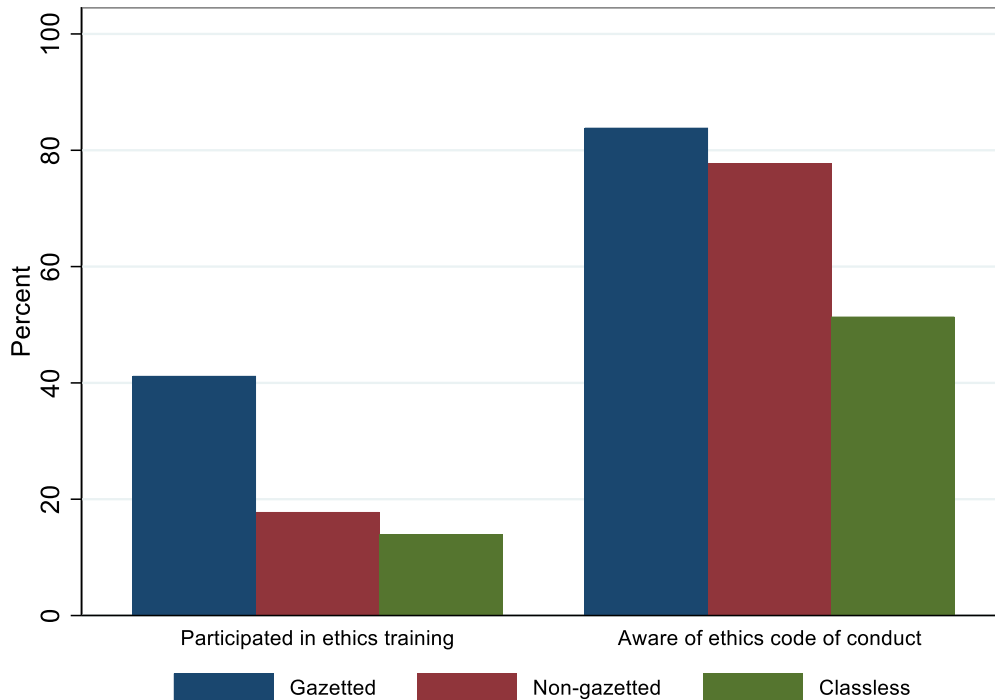
Figure 25. Ethics training and code of conduct awareness



Comparing Nepal to other countries, ethics training is more common in Bangladesh (64 per cent), while the awareness of the code of conduct of the Bangladesh Civil Service is similar (74 per cent).

There are major differences within Nepal. First, it is evident that more than 40 per cent of the gazetted civil servants have received ethics training, while merely 14 to 18 per cent of the classless and non-gazetted civil servants respectively did so at least once during their career. Similar differences apply to the awareness of the presence of the code of conduct. 94 per cent of gazetted civil servants are aware of its existence but only 60 per cent of the classless civil servants. There is hence considerable scope for raising the awareness of the code of conduct among lower ranking civil servants (Figure 26).

Figure 26. Experience with ethics training and code of conduct awareness across groups of civil servants



Second, differences are equally notable when looking across institutions (Figure 27). In some institutions, no civil servants appear to have taken any ethics training during their career. In others like the Ministry of General Administration – as one would expect – the proportion is much higher, ranging up to 46 per cent. There is also considerable institutional variation in the awareness of the existence of a code of conduct (Figure 28). In several ministries, code awareness is remarkably low. By contrast, in the Public Service Commission almost all respondents indicated that they are aware of the code of conduct. Again, this is not surprising when considering the role of the Public Service Commission in civil service management in Nepal.

Figure 27. Ethics training across institutions

Civil service management in Nepal

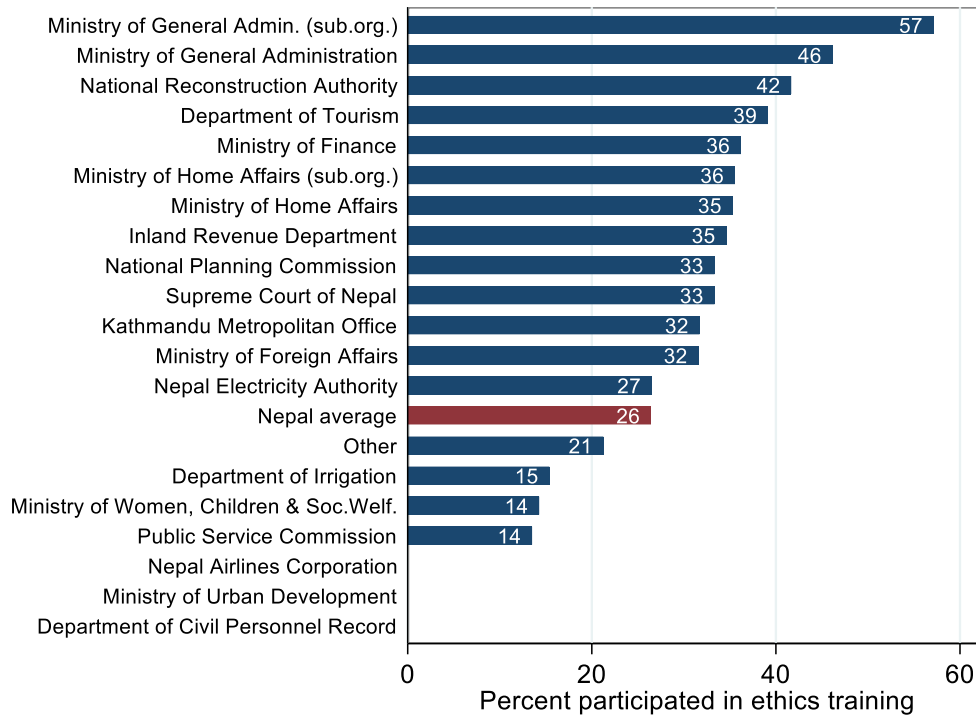
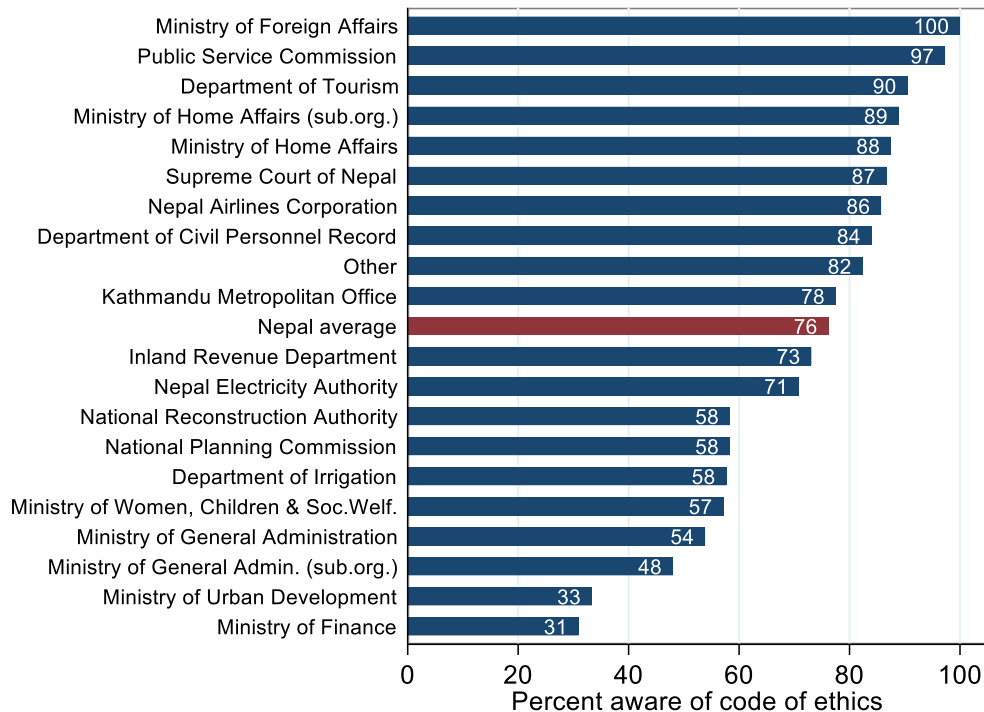


Figure 28. Code of conduct awareness across institutions

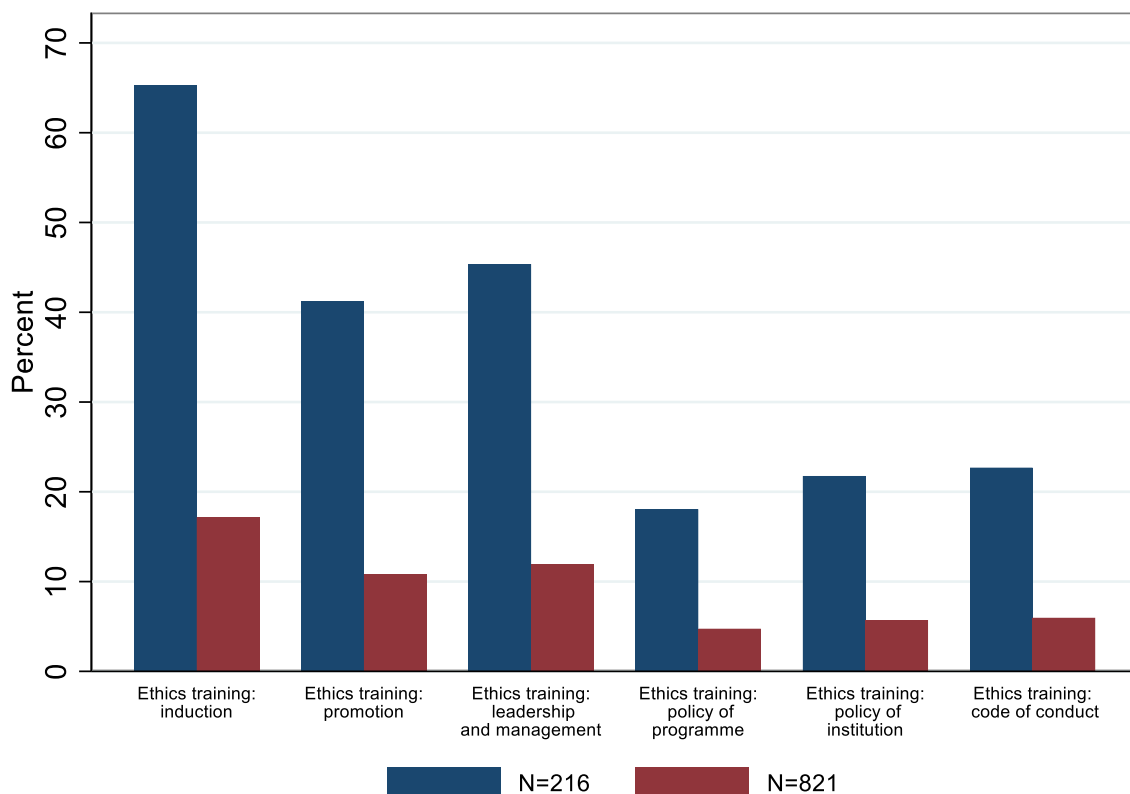


In order to develop a more comprehensive understanding of the state of ethics training and code of conduct awareness in Nepal, the survey further examined the

types of training that civil servants have experienced (Figure 29). The data reveals that

- 65 per cent of the civil servants learned about civil service ethics in the context of their induction training when they joined the civil service. However, when looking at *all* surveyed civil servants, this proportion becomes much lower, in that only 17 per cent of civil servants appear to have benefited from ethics training in the context of their induction training.
- 41 per cent of civil servants with ethics training learned about civil service ethics in the context of training to prepare their promotion but only 10 per cent of all civil servants did so. The proportions are similar for civil servants who have learned about civil service ethics in the context of management and leadership training.
- Only 22 to 23 per cent of civil servants participated in designated ethics training on the ethics policy of their institution or on the code of conduct for the civil service in Nepal. In practice, this means that less than 10 per cent of civil servants have ever received designated ethics training in Nepal. In absolute terms, this must be regarded as a small proportion.

Figure 29. Type of ethics training



Looking more closely at the method of delivery and mode of training, Figures 30 and 31 suggest that – among civil servants who participated in ethics training – 79 per cent of civil servants attended lectures and presentations on ethics in the civil service, 63 and 53 per cent of civil servants experienced training with multi-media

contents and practical case studies respectively, 34 per cent attended an online ethics module and 33 per cent relied on self-study.

Among the methods of delivery, the data shows that most ethics training is provided by fellow civil servants from the same or another institution: 52 per cent of civil servants who received ethics training at least once during their career were taught by a fellow civil servant from their office, 45 per cent received training from civil servant from another office, for instance, the Ministry of General Administration. Training by the Anti-Corruption Council, private sector companies, universities, international organisations and NGOs is relatively less common, in particular, when bearing in mind that the large majority of civil servants has never received any ethics training.

Figure 30. How ethics trainings are delivered

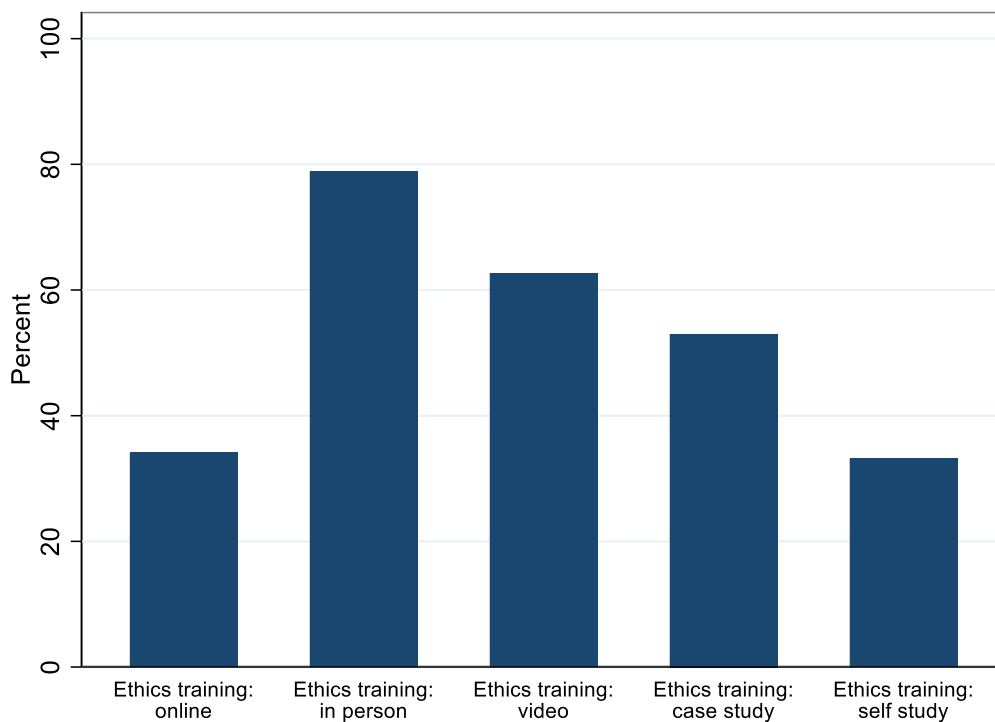
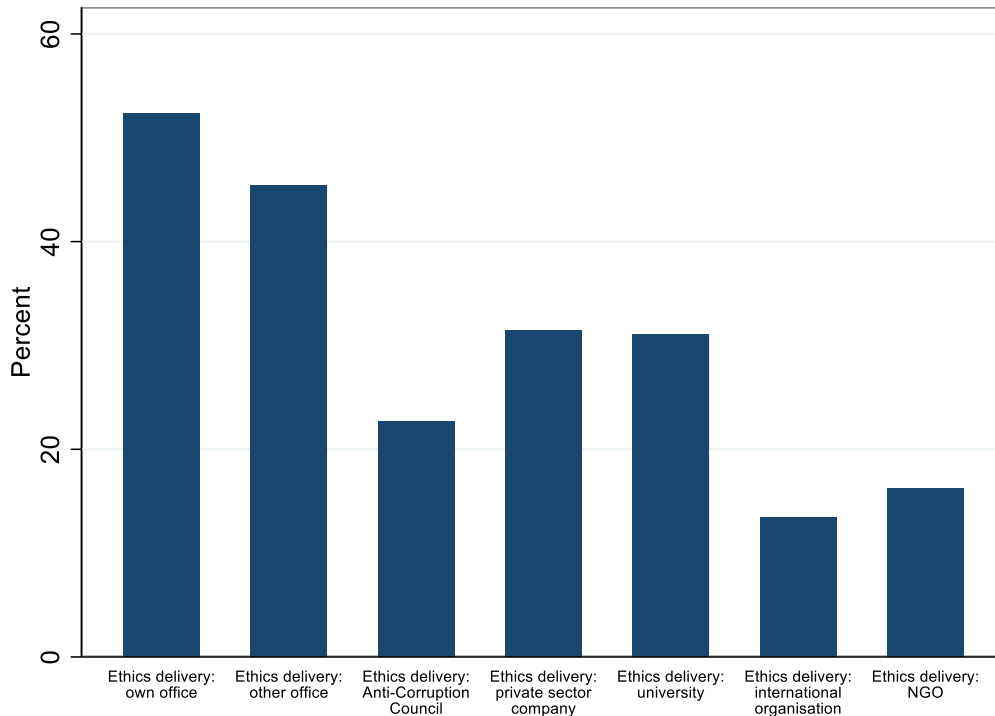


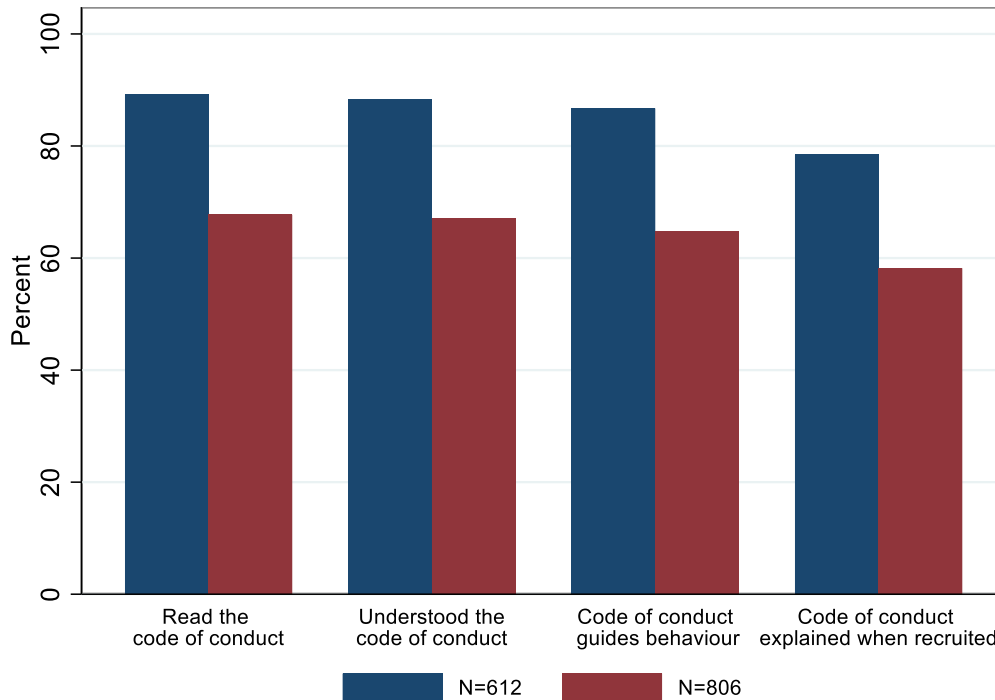
Figure 31. Who provides ethics training



When looking more closely at the nature of code of conduct awareness in Nepal, 89 per cent claim to have read the code of conduct, 88 per cent claim to have understood it and 87 per cent indicate that it guides their behaviour at work. However, when taking into account that some civil servants are not fully aware of the presence of the code of conduct for civil servants in Nepal, the proportions shrink. Indeed, only 64 to 67 per cent of the civil servants can be considered to be aware of the contents of the code of conduct in Nepal.

The final bar indicates whether the code of conduct has been explained to them when they were recruited into the civil service. This form of initial instruction resonates closely with the notion of induction training mentioned above. Among the respondents, 78 per cent of the civil servants aware of the code of conduct claim to have received such an ethics instruction when they joined the civil service. When considering all civil servants, this proportion shrinks to 58 per cent.

Figure 32. Awareness of the code of conduct



Finally, we conducted a statistical analysis of the impact of ethics training and awareness of the code of conduct on civil servants’ attitudes and behaviour. We focused on civil servants’ intention to behave ethically on the job as the main objective of ethics codes and ethics training. The results are puzzling insofar as

- Ethics training participation does not appear to affect the intention of civil servants to behave ethically on the job.
- Awareness of the existence of the code of conduct is not associated with more ethical behaviour on the job.

The results of the statistical analysis have to remain suggestive at this stage, as they are based on a small sample. However, they are sobering and will require further inquiry into the state of ethics training and ethics code awareness in the civil service in Nepal.

2.2.6. Conclusions and recommendations

Integrity management is an essential component of human resources management in developed and developing countries. In Nepal, in particular, the Public Service Commission and the Ministry of General Administration have major interest in improving the integrity of the civil service and to reduce corruption risks in public administration.

The survey shows that civil servants are aware of the code of conduct in Nepal, while only a small proportion of civil servants has ever attended ethics training either in the context of general training activities or as a designated ethics training. Exposure to ethics management varies within Nepal. In particular, gazetted civil servants are more aware of the ethics infrastructure and have received more

training. However, the statistical analysis suggests that ethics training and ethics code awareness have no effect on the intention of civil servants to behave ethically in conflict of interest situations on the job regardless of their career grade.

For the Public Service Commission and the Ministry of General Administration, the findings suggest the need to review the existing training activities and efforts to communicate the contents of the code of conduct. Any review should be taken as the basis for the development of a new state-of-the-art ethics training for civil servants and strategies to improve the effectiveness of the existing (or a revised) code of conduct for civil servants.

2.2.7. Civil service unions

Historically, civil service unions play a prominent role in public sector management in Nepal. Their role remains contested. On the one hand, they play an essential representative role and may facilitate the management of the civil service. On the other, they have been criticised for their political links and their role in undermining the merit basis of civil service management in Nepal. Yet there is still little evidence as to their actual influence in civil service management and the consequences of their involvement for the performance and integrity of civil servants.

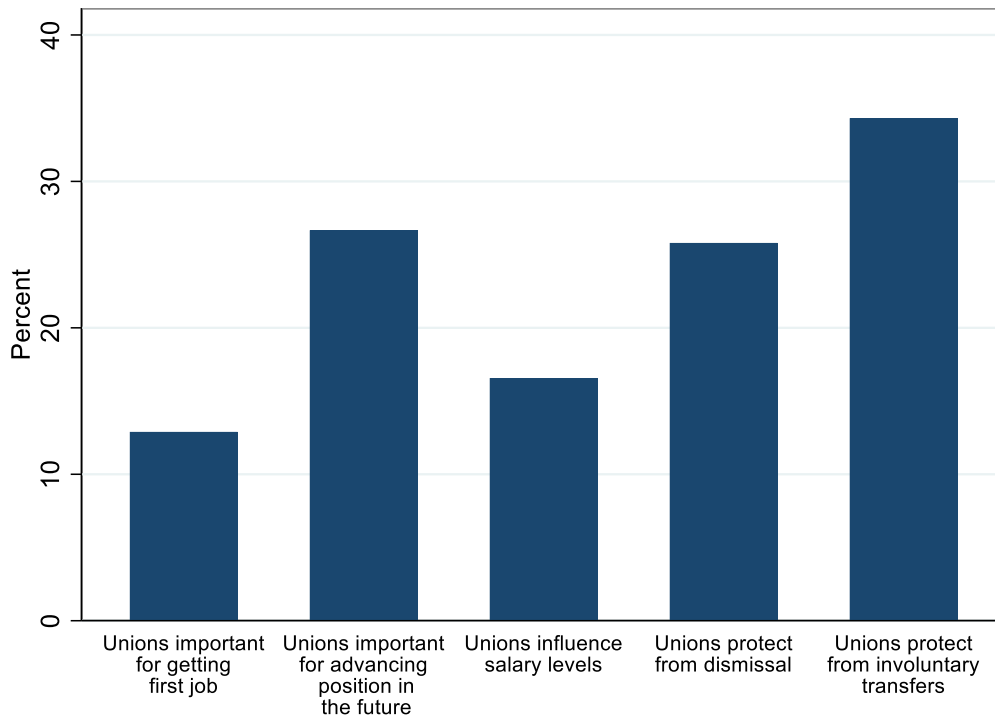
Our civil service survey therefore examined the extent of civil service union membership and the influence of unions on recruitment and selection, career advancement, salary management and job protection practices in the civil service. In our data the majority of civil servants were *not* unionised. Moreover, their influence appears to be smaller than conventionally assumed. They appear to play a somewhat active role in the areas of career advancement and protection from both dismissal and unwanted transfers. By contrast, their role is less prominent in the areas of recruitment and salary management.

Overall, two conclusions stand out. First, civil service unions appear to be less important for civil service management than both political and in particular personal connections of civil servants. Second, union involvement has only limited effects on civil servants' attitudes and behaviour. However, to the extent that it does, the survey suggests that their role is problematic, in particular, for the integrity of the civil service. To begin with a general summary of the survey findings (Figure 33),

- 73 per cent of the civil servants who participated in the survey indicated that they are *not* union member. 19 per cent were member of a union. 8 per cent indicated that they supported a union without being a member.
- 13 per cent of civil servants indicated that unions were at least somewhat important for getting their first job in the civil service.
- 27 per cent of civil servants expect that union support will be at least somewhat important when advancing to a better position in the future.
- 17 per cent of civil servants agree or strongly agree that unions influence the salary levels. Conversely, 79 per cent disagree or strongly disagree that unions have influence on their salary.
- 26 per cent of civil servants believe that union support protects them from dismissal from the civil service. By contrast, 66 per cent disagree or strongly disagree that unions protect them from dismissal.

- 34 per cent of civil servants agree or strongly agree that union support protects them from involuntary transfers to less preferable positions in the public sector. Yet 56 per cent disagree or strongly disagree that unions protect them from unwanted transfers.

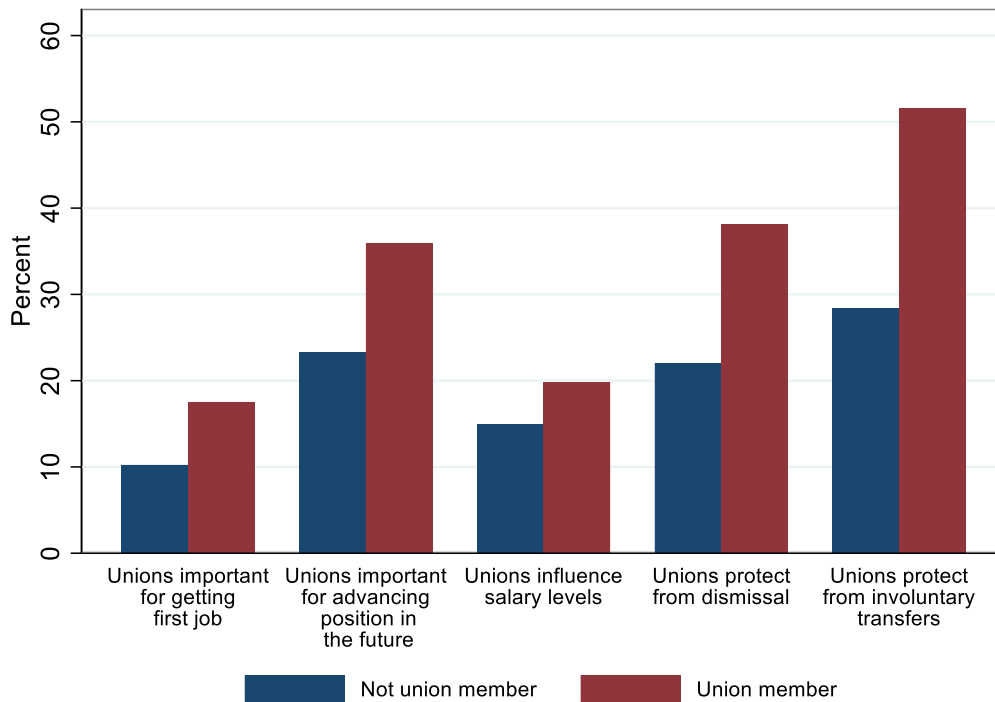
Figure 33. The role of civil service unions in human resources management



We did not ask questions on the role of civil service unions in any of the other countries covered by the broader project, as the situation in Nepal is specific from an international perspective. However, the role of unions in human resources management varies considerably within Nepal.

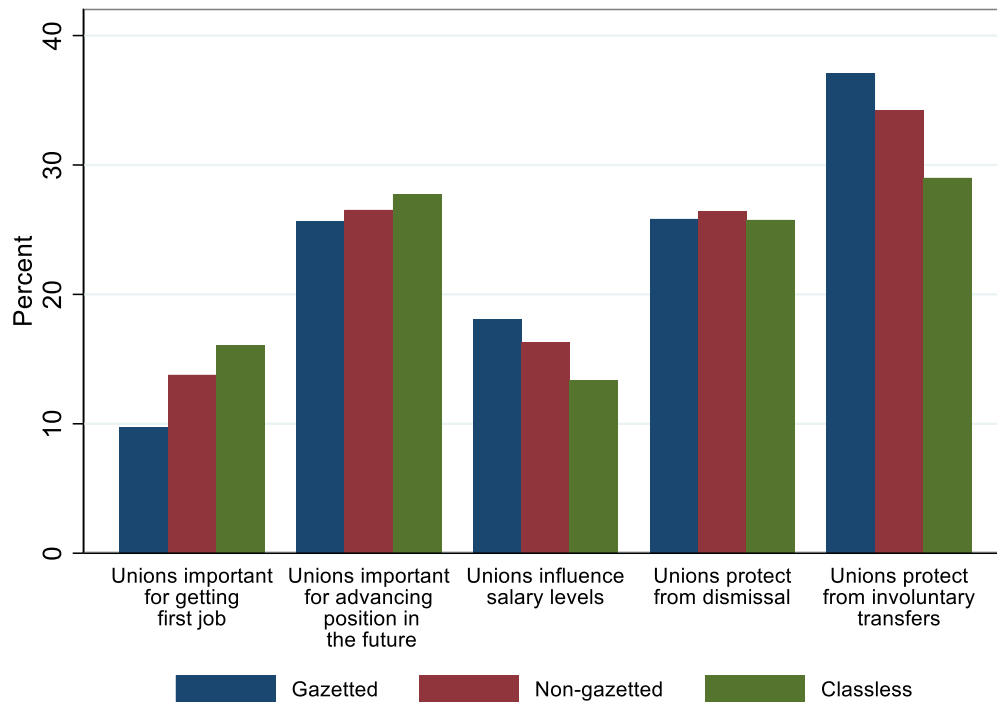
To start with, union members are significantly more positive in relation to the role of unions than non-members. This will be unsurprising. As shown in figure 34, union members are more positive in their evaluation of the role of unions in advancing to a better position in the future and protecting them from both dismissal from and involuntary transfers within the civil service. 52 per cent of the union members as opposed to 28 per cent of the non-union members agree or strongly agree that unions help them to prevent a transfer to a less preferred position. At the same time, members and non-members differ to a lesser extent in their assessment of the role of unions in getting a job in the civil service and in influencing their salary level.

Figure 34. Perceptions of union influence across categories of staff: Members vs. non-members



Beyond the distinction between union members and non-members, the role of unions is perceived fairly similarly across formal categories of staff (Figure 35). Gazetted civil servants attach somewhat less importance to unions for getting a job in the civil service. At the same time, unions are seen to play a slightly more influential role for gazetted (37 per cent) and non-gazetted (34 per cent) civil servants relative to classless (29 per cent) civil servants when it comes to protection from unwanted transfers. This is plausible insofar as unionisation is higher among gazetted (25 per cent) and non-gazetted (33 per cent) civil servants than among classless (17 per cent) civil servants.

Figure 35. Perceptions of union influence across categories of staff: Gazetted, non-gazetted and classless civil servants



Differences are notable when comparing the involvement of unions across individual institutions. 21 per cent of the civil servants in the Ministry of Finance, for instance, indicated that they benefitted from union support when getting their first job in the civil service. This is considerably higher than the average public sector institution in Nepal.

Differences are larger for the other areas of human resources management. In relation to protection from unwanted transfers, the perceptions range from virtually no union influence in several institutions to more than 60 per cent of agreement in institutions such as the National News Agency, the offices of the Nepal Airlines Corporation and the Office of the Comptroller General. Similarly, the influence of unions on civil servants' prospects of career advancement range from virtually none in several institutions to 71 per cent of agreement in the Employees Provident Fund.¹⁹

In other words, the role of unions in civil service management varies across institutions. Some institutions such as the National New Agency and the Employees Provident Fund are, at least judging from our survey responses, highly unionised, as a result of which unions are perceived to play a larger role in human resources management.

¹⁹ Not all institutions named in this paragraph appear in Figure 36, as they returned fewer than 20 completed responses.

Figure 36. Union membership across institutions

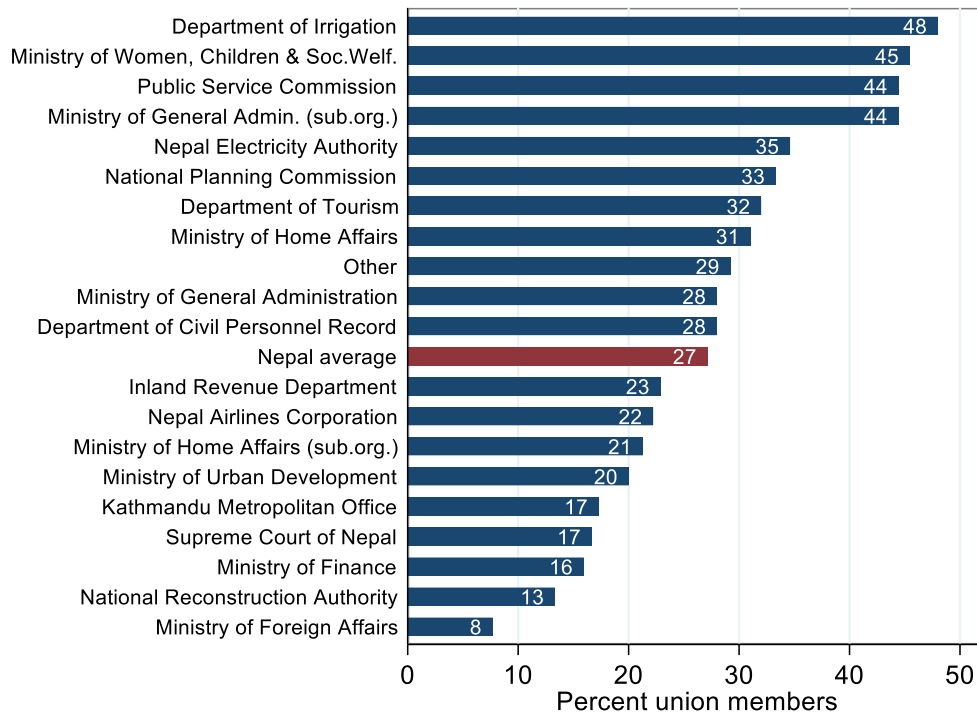
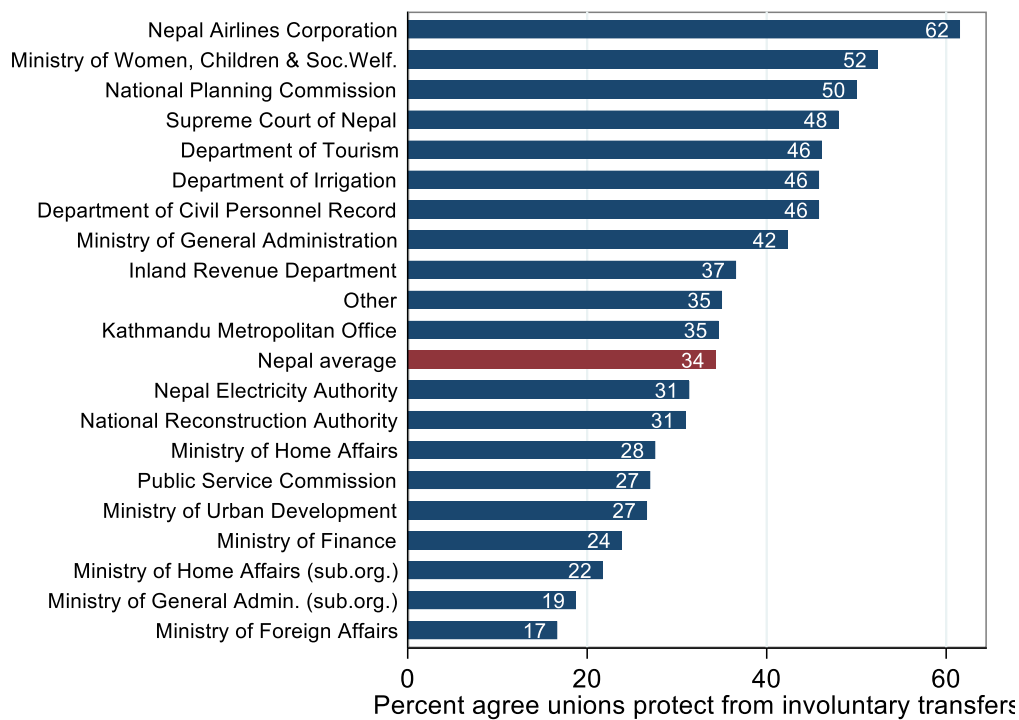


Figure 37. Perceptions of union influence on protection from involuntary transfers across institutions



Finally, the complementary statistical analysis suggests that union involvement in human resources management does affect civil servants' attitudes and behaviour. On the one hand, union involvement across human resources management areas is consistently associated with less ethical behaviour on the job. Union involvement in career advancement also lowers the job satisfaction of civil servants. On the other hand, the analysis reveals positive effects of union involvement in protecting civil servants from dismissal and unwanted transfers on public service motivation and work motivation.

In other words, civil service unions can play an important and beneficial role in civil service management but only as long as it is limited to core functions such as the protection from dismissal and involuntary transfers. Conversely, as the role of unions expands, their role in civil service management may become counter-productive. This is an important insight insofar as the Government of Nepal should review and indeed revise the role of unions in civil service management.

2.2.7. Conclusions and recommendations

Civil service unions have traditionally played a prominent role in civil service management in Nepal. The results of the civil service survey suggest that unions have moderate influence over career advancement, protection from dismissal and involuntary transfers in the civil service. Perceptions of union involvement vary across categories of staff and, in particular, institutions.

The evaluation in this section also suggests that political and, in particular, personal connections play a more important role in human resources management in Nepal than civil service unions. Comparisons in the areas of recruitment and career advancement, which rely on directly comparable survey questions, suggest that civil servants consider political support to be slightly more influential than union support, while they attach much greater importance to good personal connections to friends and family in the civil service.

The analysis of the consequences of union involvement revealed that the influence of unions on employment and job protection is positive for civil servants' attitudes and behaviour. By contrast, as the role of unions expands to areas of recruitment and career advancement, the analysis suggests that their involvement has negative effects on civil servants' attitudes and behaviour.

For the Ministry of General Administration, the findings suggest a need to carefully review the role of unions in human resources management and to clarify the areas in which union involvement may be acceptable and beneficial for the performance and integrity of the civil service. Moreover, any review and action will need to take an institutional perspective to take into account diverse institutional realities across the public sector in Nepal.

Part 2.3. The quality of leadership in the civil service in Nepal

This part examines the quality of leadership in the civil service in Nepal. It focuses on how civil servants evaluate their superiors in relation to levels of expertise, management skills, politicisation, nepotism and good leadership practices.

The analysis shows that a majority civil servants rate their superiors positively in relation to their subject expertise, management skills and leadership practices. Only a small minority indicates that their superiors are politicised and surrounded by personal friends and family members.

In our data, leadership practices are further shown to be an important driver of civil servants' attitudes. In particular, 'good practice' (ethical and transformational) leadership has positive consequences, while nepotistic management tends to have negative consequences.

Investment in the quality of leadership will be important for the Ministry of General Administration and individual institutions, in particular, those with poor evaluations of the quality of their leadership.

In addition to human resources management practices, the civil service survey focused on the quality of leadership in Nepal as a key driver of civil servants attitudes and behaviour. The survey distinguishes six elements of good leadership in public sector organisations (Figure 38). They are the perception of civil servants that:

- Superiors have sufficient expertise in order to perform their duties
- Superiors have sufficient management skills to lead their units.

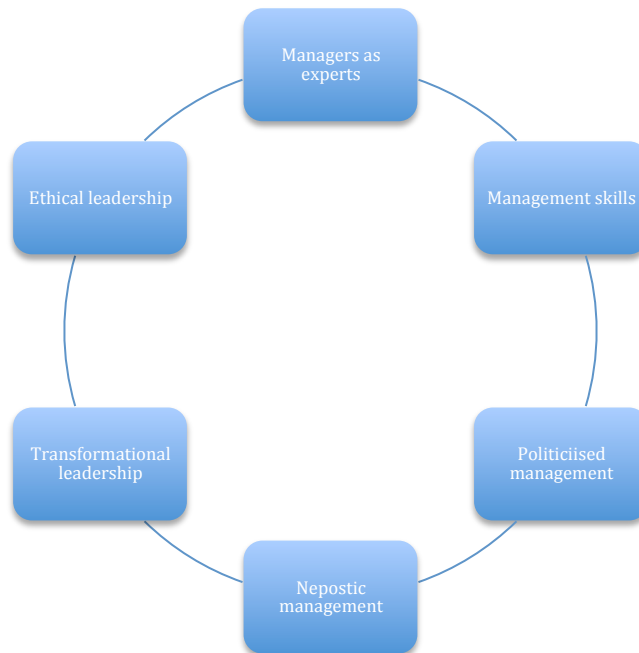
Both features reflect the need for essential competencies of public sector managers.

In addition, the survey asked civil servants to what extent, according to their experience,

- Superiors were selected for their position thanks to political connections. Politicisation reflects the incentive of the political leadership to enhance the political responsiveness of the bureaucracy. At the same time, it conflicts with the merit principle and may negatively affect the satisfaction of civil servants and the overall performance and integrity of the organisational unit they lead.
- Superiors have personal friends and family members in management positions of their institutions. It proxies the appointment of superiors on nepotistic grounds rather than merit.

The survey further assessed the experience of civil servants with leadership practices in their institution. It focused on

- Transformational leadership practices which refers to the enthusiasm of managers for the mission and vision of their organisation, their ability to motivate staff and to make them proud of their organisation.
- Ethical leadership practices which refer to the practice of communicating ethical principles and holding civil servants to account for their ethical behaviour.

Figure 38. Desirable attributes of civil service managers

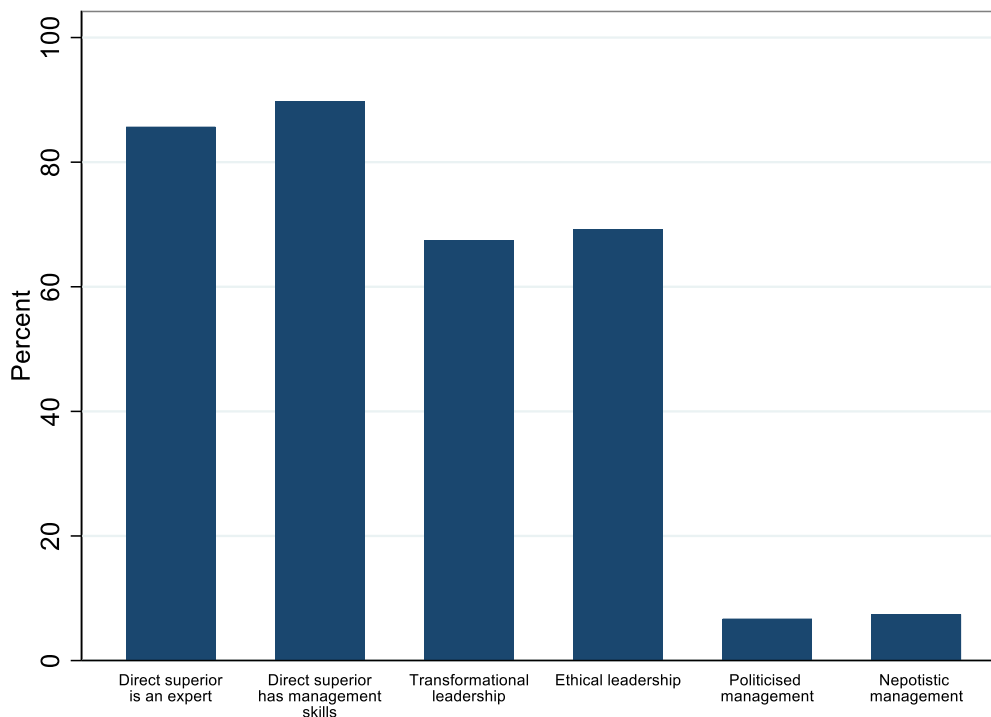
2.3.1. Overview of quality of leadership in the civil service in Nepal

Looking first at the overall quality of leadership in the civil service in Nepal, the survey indicates that a majority of civil servants consider their managers to be experts in their field, they are seen to have adequate management skills and share features of both ethical and transformational leaders. Both politicised and nepotistic management are unusual according to the assessment of subordinate civil servants. As shown in Figure 39,

- 86 per cent of civil servants agree or strongly agree that their direct superiors are experts in their field of work.
- 90 per cent of civil servants agree or strongly agree that their direct superiors have relevant management skills.
- 67 per cent of civil servants agree or strongly agree with statements that indicate transformational leadership practices by their direct superiors. The indicator consists of three items including questions on the extent to which superiors are seen to articulate enthusiasm for the organisation's vision and mission, are perceived to lead by example and are seen to make employees proud of their of their organisation.
- 69 per cent of the civil servants agree or strongly agree with statements that reflect ethical leadership practices. Ethical leadership practices also consist of three components here. It specifically refers to superiors who hold their subordinates accountable for using ethical practices in their work, who communicate clear ethical standards to their subordinates and who can be trusted to keep promises and commitments.

- 7 per cent of the civil servants agree or strongly agree that their superior was appointed, at least in part, thanks to their political connections.
- 7 per cent of the civil servants agree or strongly agree that their superior has personal friends or family members in senior management positions in the institution. This is a low proportion when taking into account the importance of personal connections for recruitment and career advancement discussed above.

Figure 39. Leadership in the civil service in Nepal



Further analysis of the survey results shows that in Nepal certain leadership qualities correlate highly. Managers who are identified as experts in their field and managers who are considered to possess management skills practice are also considered to act more frequently in accordance with the principles of transformational and ethical leadership. At the same time, politicisation is associated with less expertise, less management skills and more nepotistic management. Indeed, nepotistic and politicised management correlate highly.

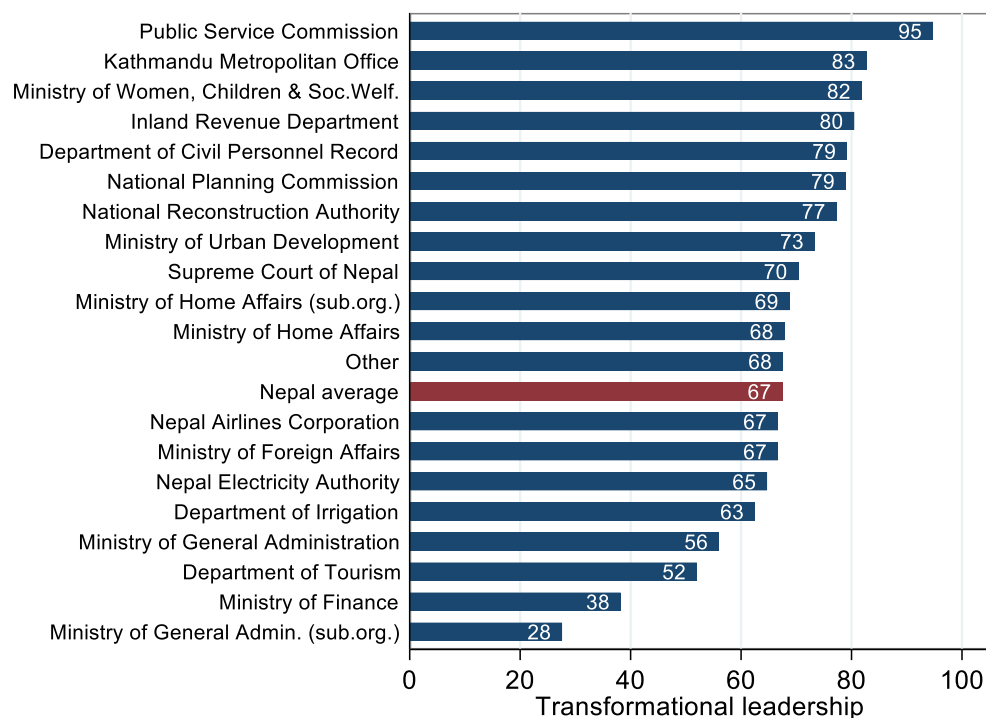
In comparison to Bangladesh, civil servants in Nepal view their direct superiors, on average, slightly less positively in relation to transformational and ethical leadership practices but regard them as subject to less politicisation and nepotism. To be more specific,

- In Nepal, the expertise of managers is perceived to be lower than in Bangladesh (92 per cent).
- In Nepal, management skills are perceived to be less developed than in Bangladesh (92 per cent).

- In Nepal, transformational leadership practices are less common than in Bangladesh (76 per cent)
- In Nepal, ethical leadership practices are also less common than in Bangladesh (80 per cent).
- In Nepal, the perceived politicisation of managers is lower than in Bangladesh (16 per cent).
- In Nepal, nepotistic management is perceived to be less relevant than in Bangladesh (26 per cent).

Within Nepal, the evaluation of leadership attributes varies considerably across institutions (Figure 40). Focusing on transformational leadership only, the figure below shows that the proportion of civil servants who identify their direct superiors as transformational leaders covers a wide range. Among the institutions with a large enough number of completed responses, the lowest proportions are found in subordinated organisations of the Ministry of General Administration and the Ministry of Finance (28 and 38 per cent respectively consider their superiors as transformational leaders) while the highest proportions of transformational leaders are found in the Public Service Commission (95 per cent).

Figure 40. Transformational leadership across institutions

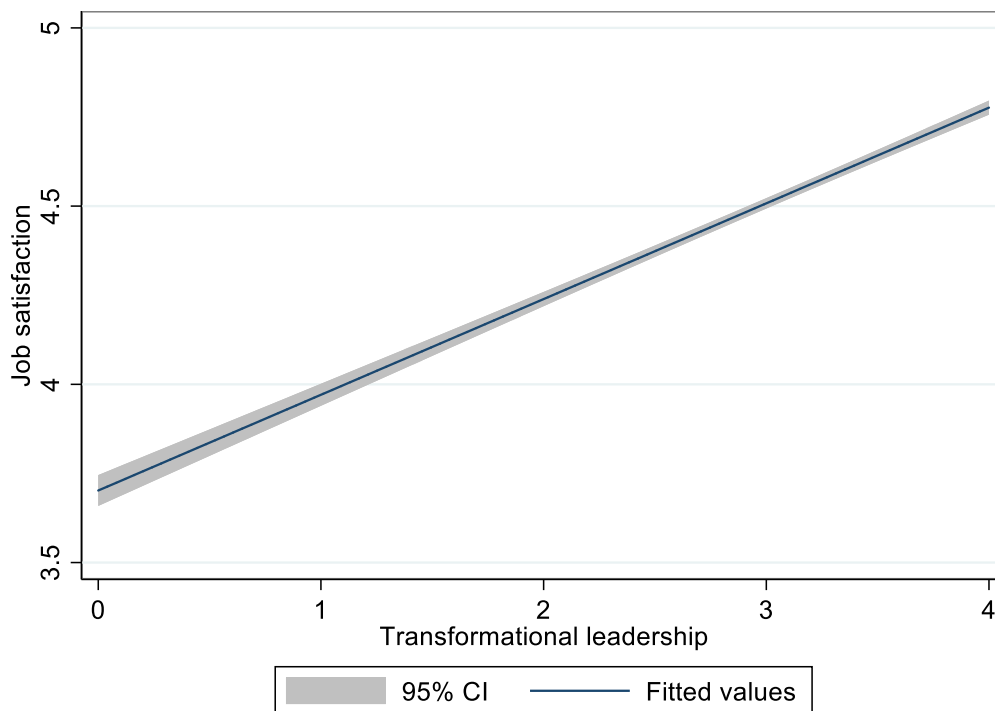


In order to assess the importance of leadership for the attitudes of civil servants, we further conducted a statistical analysis of the consequences of our leadership attributes as perceived by civil servants. The analysis shows that the both transformational and ethical leadership have significant positive effects on the whole

range of civil servants' attitudes. By contrast, nepotistic management has negative consequences for inter-personal trust and job satisfaction, while politicised management negatively affects the integrity of civil servants.

Figure 41 illustrates the importance of the quality of leadership for civil servants' attitudes. A change in the evaluation of transformational leadership practices from strongly disagree to strongly agree can increase the job satisfaction of civil servants by more than one point on a scale from 0 to 6. For the Ministry of General Administration, this provides evidence that the quality of leadership can make a noticeable difference for the management of the civil service.

Figure 41. Consequences of transformational leadership on job satisfaction



2.3.1. Conclusions and recommendations

The civil service survey provides a comprehensive overview of the perceived quality of leadership across institutions in Nepal. Findings indicate

- Positive evaluations of managers' expertise, their management skills and the application of transformational and ethical leadership practices. However, there is considerable scope for improvement insofar as transformational and ethical leadership practices are concerned, in particular, because leadership practices have been shown to have a major impact on civil servants' attitudes and behaviour. For the Ministry of General Administration, the finding presents a clear mandate to invest in the quality of leadership across the civil service.
- Politicised and nepotistic management are, according to the evaluation of civil servants, much less common. However, they have consistently negative

effects on civil servants' attitudes and it is therefore essential to remain vigilant and ensure that politicisation and nepotism are minimised at management level.

- Considerable differences in the perceived quality of leadership across institutions. These differences require tailored attention from the Ministry of General Administrations and major efforts from the relatively low-performing institutions.

Part 3. Conclusions and implications for civil service reform in Nepal

1. The implementation of the first civil service survey in Nepal has provided new evidence with regard to attitudes and behaviour of civil servants, their evaluation of the leadership in the civil service and their experience with human resources management. The evidence can provide the basis for government wide reform initiatives in areas such as ethics and integrity management in the civil service as well as targeted interventions by the Ministry of General Administration and the Public Service Commission to improve the situation in individual institutions. The Government of Nepal should therefore consider a general commitment to the regular conduct of civil service surveys. In the first place, the Ministry of General Administration may want to support the establishment of an adequate infrastructure in a selected number of institutions in order to gain valuable experience for conducting a larger-scale, civil service wide staff survey in the future.
2. Personal and political connections play an important role in civil service management in Nepal. In particular, personal connections influence recruitment and selection decisions, career advancement practices and job stability. Both personal and political connections in civil service management negatively affect the attitudes and behaviour of the civil service. In particular, they reduce the integrity of civil servants' on the job. While the role of personal connections in recruitment is more ambiguous and will require further investigation, the evidence suggests that the Ministry of General Administration should take efforts to reduce the role of both political and personal connections in civil service management.
3. Merit recruitment procedures are, by and large, associated with a smaller role for personal and political connections in civil service management. The Ministry of General Administration and the Public Service Commission should support the application of merit recruitment procedures such as public job advertisements, written exams and personal interviews for all ranks of civil servants.
4. Career advancement that is based on performance and the consistent use of performance evaluation procedures is associated with desirable attitudes and behaviour of civil servants. The Ministry of General Administration should ensure the consistent implementation of performance evaluations across institutions and ranks of civil servants. Performance evaluations that are used to justify the dismissal of civil servants, primarily, classless civil servants have consistently negative effects on civil servants' attitudes and behaviour and should therefore be re-considered by the Ministry of General Administration.
5. Salary management is widely criticised by civil servants. Salary satisfaction and perceived sufficiency are low. Salaries are considered to be un-competitive compared to the private sector. Good performance is usually not rewarded with higher salary levels. In particular, salary dissatisfaction is associated with undesirable attitudes and behaviour of civil servants such as low trust, job satisfaction, work motivation and low levels of integrity on the job. The Ministry of General Administration should take efforts to address salary dissatisfaction in particular for gazetted and non-gazetted civil servants.

6. Integrity management is among the least developed and least effective areas of civil service management in Nepal. Only a small proportion of civil servants regularly attend in ethics training. Training participation does not appear to affect the ethical behaviour of civil servants on the job. Awareness of the code of conduct is limited and there appears to be no direct relation to the integrity of civil servants. For the Public Service Commission and the Ministry of Administration, the development and implementation of a state-of-the-art ethics and integrity management for civil servants should be regarded as one of the most important future reform measures.
7. Civil service unions are involved, to varying extents, in civil service management in Nepal. Their direct role appears to be less important than the direct influence of personal and political connections. However, the influence of unions tends to be negative for the attitudes and behaviour of civil servants. The exception is the positive effect of unions' efforts to protect civil servants from dismissals and involuntary transfers. The Ministry of General Administration should therefore review – and potentially reduce – the role of civil service unions in civil service management.
8. The quality of leadership in the civil service is, by and large, positively evaluated by civil servants. However, there is considerable scope for improvement. Leadership practices are shown to have important effects on the whole range of civil servants' attitudes and behaviour. Efforts by the Ministry of General Administration to invest in the quality of leadership will therefore be highly beneficial for the quality of the civil service in Nepal.

Part 4. Appendix

Appendix A. List of institutions

Table A1. List of institutions with at least 20 completed responses

	Frequency	Percent
Department of Civil Personnel Record	25	1.97
Department of Irrigation	26	2.05
Department of Tourism	26	2.05
Inland Revenue Department	84	6.61
Kathmandu Metropolitan Office	55	4.33
Ministry of Finance	91	7.16
Ministry of Foreign Affairs	40	3.15
Ministry of General Administration	26	2.05
Ministry of General Administration (subordinated organisations)	32	2.52
Ministry of Home Affairs	29	2.28
Ministry of Home Affairs (subordinated organisations)	48	3.78
Ministry of Urban Development	30	2.36
Ministry of Women, Children and Social Welfare	22	1.73
Nepal Airlines Corporation	27	2.12
Nepal Electricity Authority	52	4.09
Other	507	39.89
Public Service Commission	38	2.99
Supreme Court of Nepal	28	2.20
National Planning Commission	40	3.15
National Reconstruction Authority	45	3.54
Total	1271	100.00

Table A2. List of institutions with at least 4 completed responses

	Frequency	Percent
Armed Police Force	11	0.87
Central Level Project Implementation Unit	14	1.10
Commission for the Investigation of Abuse of Authority	4	0.31
Debt Recovery Tribunal	13	1.02
Department of Archeology	9	0.71
Department of Civil Personnel Record	25	1.97
Department of Cottage and Small Industries	6	0.47
Department of Irrigation	26	2.05
Department of Land Reform and Management	10	0.79
Department of Money Laundering Investigation	4	0.31
Department of Tourism	26	2.05
District Court	5	0.39
District Forest Office	23	1.81
Employees Provident Fund	14	1.10
Fruit Development Directorate	11	0.87
Health Posts	6	0.47
Inland Revenue Department	84	6.61
Kathmandu Metropolitan and Municipal Offices	55	4.33

Civil service management in Nepal

Ministry of Commerce	6	0.47
Ministry of Culture, Tourism and Civil Aviation	10	0.79
Ministry of Defense	9	0.71
Ministry of Energy	4	0.31
Ministry of Federal Affairs and Local Development	5	0.39
Ministry of Finance	91	7.16
Ministry of Foreign Affairs	40	3.15
Ministry of Forest and Soil Conservation	18	1.42
Ministry of General Administration	26	2.05
Ministry of General Administration (subordinated organisation)	32	2.52
Ministry of Health	17	1.34
Ministry of Health (subordinated organisation)	8	0.63
Ministry of Home Affairs	29	2.28
Ministry of Home Affairs (subordinated organisation)	48	3.78
Ministry of Irrigation	8	0.63
Ministry of Land Reform and Management (subordinated organisation)	8	0.63
Ministry of Livestock Development	11	0.87
Ministry of Population and Environment	15	1.18
Ministry of Supplies	5	0.39
Ministry of Urban Development	30	2.36
Ministry of Water Supply and Sanitation	8	0.63
Ministry of Women, Children and Social Welfare	22	1.73
Ministry of Women, Children and Social Welfare (subordinated organisation)	8	0.63
Nepal Administrative Staff College	6	0.47
Nepal Agriculture Research Council	6	0.47
Nepal Airlines Corporation	27	2.12
Nepal Electricity Authority	52	4.09
Nepal Intermodal Transport Development Board	9	0.71
Office of the Company Registrar	14	1.10
Office of the Comptroller General	11	0.87
Office of the Prime Minister and Council of Ministers	11	0.87
Office of the Prime Minister and Council of Ministers (subordinated organisation)	12	0.94
Other	111	8.73
Public Service Commission	38	2.99
Revenue Administration Training Centre	12	0.94
Secretariat of the Federal Parliament	5	0.39
Supreme Court of Nepal	28	2.20
Taxpayer Service Office	8	0.63
National Archives	6	0.47
National News Agency	18	1.42
National Planning Commission	40	3.15
National Reconstruction Authority	45	3.54
National Trauma Center	8	0.63
Total	1271	100.00

Appendix B. Survey questions (selected)

Public service motivation

To what extent do you agree with the following statements?

Attraction to public service

	Strongly disagree	Somewhat disagree	Neither disagree nor agree	Somewhat agree	Strongly agree	DK/ Prefer not to respond
I admire people who initiate or are involved in activities to aid my community.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
It is important to contribute to activities that tackle social problems.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Meaningful public service is very important to me.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
It is important for me to contribute to the common good.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Commitment to public value

	Strongly disagree	Somewhat disagree	Neither disagree nor agree	Somewhat agree	Strongly agree	DK/ Prefer not to respond
I think equal opportunities for citizens are very important.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
It is important that citizens can rely on the continuous provision of public services.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
It is fundamental that the interests of future generations are taken into account when developing public policies.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
To act ethically is essential for public servants.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Compassion

	Strongly disagree	Somewhat disagree	Neither disagree nor agree	Somewhat agree	Strongly agree	DK/ Prefer not to respond
I feel sympathetic to the plight of the underprivileged.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I empathize with other people who face difficulties.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I get very upset when I see other people being treated unfairly.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Considering the welfare of others is very important.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Civil service management in Nepal

Self-sacrifice

	Strongly disagree	Somewhat disagree	Neither disagree nor agree	Somewhat agree	Strongly agree	DK/ Prefer not to respond
I am prepared to make sacrifices for the good of society.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I believe in putting civic duty before self.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I am willing to risk personal loss to help society.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I would agree to a good plan to make a better life for the poor, even if it costs me money.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>