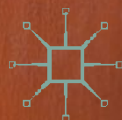# PARADIGMS & PUBLIC SECTOR REFORM

Public Administration of Bhutan

Lhawang Ugyel

Paradigms and Public Sector Reform

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Public Administration of Bhutan

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Printed on acid-free paper

For Tshoki, Yonten and Deyzang: Thank you for your love and patience!

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Introduction

Spread of Public Sector Reforms

Governments have long initiated public sector reforms. In doing so, they have striven to improve existing systems and processes. In this sense, 'reform' indicates a 'deliberate move from a less desirable (past) state to a more desirable (future) state' and implies that a 'beneficial change' will take place (Pollitt and Bouckaert 2004, 15). Reforms are often introduced as a response to shortcomings of a previous system (Hughes 2003) and involve 'doing the old things in different ways' or discovering 'new things that need doing' (Halligan 2001, 8). Numerous definitions of public sector reforms have been offered by various scholars. Turner and Hulme (1997, 106) point out that one of the elements of the definition of administrative reform is 'deliberate planned change to public bureaucracies'. Barzelay and Jacobsen (2009, 332) view it as a 'process of managerial innovation in government'. Others, such as Pollitt and Bouckaert (2004, 6), view public sector reforms as a 'means to multiple ends'. According to Lane (1997, 12) public sector reform is something that 'no government can do without' and 'since all governments attempt it, each and every government must engage in it'. Even in earlier periods such as the Persian, Egyptian and Chinese empires, reforms to public administrative systems were implemented (Farazmand 1997). In more recent times, the end of the colonial period led to an increase in the number of independent states, adding to the urgency to engage in comparative public administra-

tion (Jreisat 2010). In more recent decades, with changes in areas such as the emergence of transnational networks, development of information and communication technologies and global economic development, public sector reforms have spread across countries extensively.

The spread and application of public sector reforms have not always been uniform. In applying public sector reform, for instance, most authors (e.g., Askim et al. 2010; Baker 2004; Cheung and Scott 2003; Common 2001; Halligan 2001; Jones and Kettl 2004; Klitgaard 1997; Nolan 2001; Olsen 2005; Pollitt and Bouckaert 2011; Wise 2002) agree that reforms are dependent on the context and culture of the countries in which they are applied. The choice of reforms depends on: different needs, political pressures and historical traditions (Aberbach and Christensen 2003, 504); specific structural and cultural characteristics based on the 'administrative arena' and 'administrative tradition' (Capano 2003, 788); differences in national reform paths and reform patterns (Hajnal 2005, 496); and the broader state–civil society relations within which the reforms are embedded (Brandsen and Kim 2010, 368). Even for countries seen as relatively similar in terms of development, there have been apparent differences in the implementation of public sector reforms. In a cross-country comparison of six developed countries, Gualmini (2008, 81) points out differences in the implementation of reforms between English-speaking nations (such as the USA and the UK) and Continental European systems. Similarly, Torres (2004, 109–110) notes differences in market-oriented reforms and management of human resources between the Anglo-American experience and continental European countries. Differences in implementation of public sector reforms also arise between Western and non-Western countries whose state histories and development trajectories are radically different. In the case of developing countries, the contextual differences within which reforms are implemented are stark, and transfer of public sector reforms from developed countries to developing countries is often fraught with inconsistencies and confusion during implementation. In some developing countries, values such as hierarchy, kinship and communal networks continue to influence the performance of the public sector (Andrews 2008; Cheung and Scott 2003; Klitgaard 1997). In addition, it has been argued that elite actors in governance systems in developing countries rarely encourage reforms since they gain from inefficient administrations (Baker 2004). Olsen (2005, 16) also argues that adopting reforms based on Anglo-Saxon prescriptions is likely to have

'detrimental' and 'disastrous' consequences, particularly when they are made within short time frames and under tight budgetary constraints.

In the implementation of public sector reform, there has been a mixture of successes and failures. The range of results has been attributed to both the nature of the reforms and variations in the context and culture of the public administrative systems when they were enacted. It is often the case that when public sector reforms are initiated, the context within which the reforms are applied is overlooked by the implementers. As a result, there is a clash of values and culture during the implementation of the reform, leading to its ineffectiveness. Vigoda-Gadot and Meiri (2007, 111) support this line of argument, pointing out that 'cultural and personal considerations', such as values, values-fit and the compatibility of individuals with their changing organisational environment, climate and culture are not considered in the introduction of new reforms. Understanding the national cultural variable is essential if we are to get an 'understanding of the interplay between public institutions and the social context', as national cultures influence the 'structure' and 'performance' of public administration (Andrews 2008, 171–172), and this hints at why administrative reforms vary in nature and follow different paths (Capano 2003, 782). One of the prerequisites for successful policy transfer is that countries must have a good idea of the policy in the originating country and the experiences of other countries with similar reform (Mossberger and Wolman 2003); and that governments must be clear about the problem to be solved at home and consider experimenting with various methods before deciding on the combination that best addresses their needs (Jones and Kettl 2004).

Bhutan and Public Sector Reform

Amidst such a flurry of public sector reform initiatives, Bhutan, a small, land-locked country wedged between China to its north and India to its south (refer to Fig. 1.1 for an administrative map of Bhutan), has engaged extensively in public sector reforms since the 1960s, when it opened itself up to international engagement and initiated planned economic development.

With a total land area of 38,394 sq. km inhabited by approximately 730,000 people (NSB 2014), Bhutan is a developing country with a per capita income in 2013 of US$ 2330 (World Bank 2015). Bhutan's pace of development has been relatively fast. Within about 30 years, from
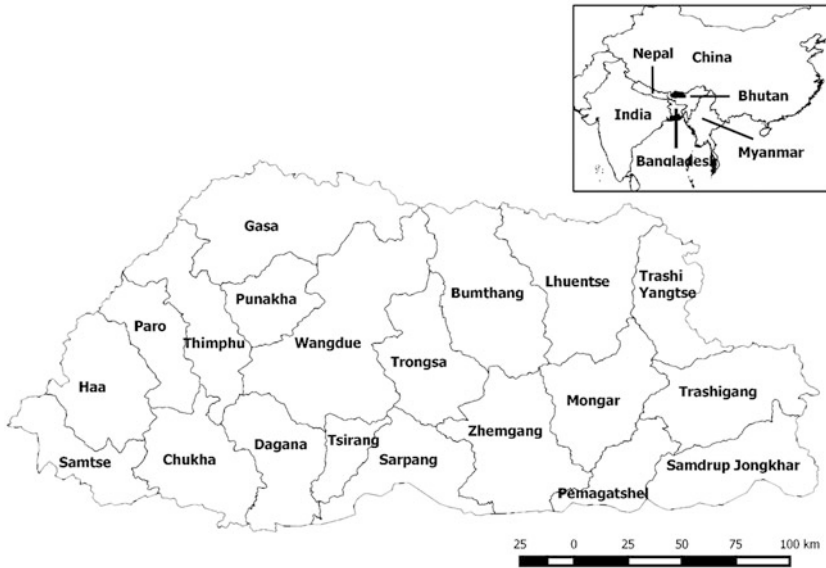
Fig. 1.1   Administrative Map of Bhutan

1980 to 2012, life expectancy increased by 21 years, expected years of schooling by eight years and Gross National Income (GNI) per capita by almost 470 % (UNDP 2013). The start of development activities in Bhutan also resulted in changes to traditional institutions which were based on a strong tradition of Tibetan Buddhism. Multiple public sector reforms have been initiated between the 1960s and the current times. In 1972, the first set of civil service rules was drafted, establishing uniform service conditions for all civil servants and setting standards for employment and promotions. In 1982, responding to changing needs and a diversified environment, the Royal Civil Service Commission (RCSC) was established to motivate and promote morale, loyalty and integrity among civil servants by ensuring uniformity of personnel actions in the civil service (RCSC 1982). In 1990, the cadre system was introduced to minimise disparities in the entry-level grades and to provide career advancement opportunities. The most recent public sector reform initiated by the Bhutanese government has been the Position Classification System (hereafter referred to as PCS) implemented in 2006. The PCS

represented a major tranche of public sector reforms including key components of performance management, recruitment, promotions and training. Bhutan's public sector has played an important role in the development of the country, while simultaneously building its own institutions, organisations and capacities.

Bhutan's public administration, as we shall observe in subsequent chapters, has a distinct culture based on the predominant religion in Bhutan (Tibetan Buddhism), and a large component of religious values percolates into the social and national culture. Many authors have observed the integration and intertwining of Buddhist philosophies with the state's policy (e.g., Blackman et al. 2010; Mathou 2000; Rinzin et al. 2007; Turner et al. 2011; Ura 2004). Fundamental Buddhist values such as compassion, respect for life, striving for knowledge, social harmony and compromise have also impacted policymaking in Bhutan (Mathou 2000). The concepts and practices of Buddhism are often used as resources for the coordination of complex and interdependent public policies (Hershock 2004). Blackman et al. (2010), for example, agree that for new policies and processes to be successful in Bhutan, they should integrate Buddhist principles and existing Bhutanese culture. The size of Bhutan's public administration is small, and the number of civil servants as of June 2012 was 23,909 (RCSC 2013), which was approximately 3.4 % of the total population. In general, the definition of the civil service in Bhutan includes all employees who are employed by the Royal Civil Service Commission under the conditions of the Bhutan Civil Service Rules and Regulations (BCSR 2012). The BCSR 2012 excludes categories of people for whom the rules are not applicable: elected representatives; holders of constitutional offices and members or commissioners; *drangpons* (judges) and *drangpon rabjams* of all courts under the judiciary; Attorneys General; and personnel of armed forces and the Royal Bhutan Police. In addition, employees of state-owned enterprises are not included in the definition of civil servants in Bhutan. This definition of civil service in Bhutan was prescribed in the early 1990s. Prior to that, Bhutan's civil service also comprised monks, armed forces personnel and employees of state-owned enterprises. For the purposes of this book, the term 'civil servants' will refer to those categories of public officials defined as per the BCSR 2012, and the term 'public sector' will refer to those agencies and organisations within which these public officials are appointed.

Main Objectives of the Book

This book is divided into two parts, and each part serves its own as well as interrelated purposes. The first part of the book describes the historical trajectory of Bhutan's public administration from the 1600s till recently. Bhutan, in general, is a relatively under-studied country. Only a few researchers have worked specifically on public sector reforms in Bhutan (e.g., Blackman et al. 2010; O'Flynn and Blackman 2009; Rose 1977). Thus, at the applied research level, this book is the first comprehensive study of the PCS and also one of the few studies conducted on Bhutan's modern administrative system. I use the notion of 'paradigms' as described by Thomas Kuhn (1970) to provide a framework for understanding changes in Bhutan's public administration, in both a temporal and systemic sense. Although Kuhn used paradigms to explain phenomena in the natural sciences, the concept has been found to be useful in the social sciences too. In the field of public administration, the paradigm concept is particularly helpful in understanding the problems faced, and how the public sector reforms selected to solve these puzzles shape the characteristics of the government. Paradigms in public administration, such as traditional public administration and new public management, are helpful in studying the content and dynamics of policy change and also in determining the dynamics of the field of public administration's identity and the manner in which governments are shaped and function (Capano 2003; Henry 1975; Lovrich 1985). The concept of paradigms, for the purposes of the book, draws out the notions of 'exemplars' and 'paradigmatic changes' in public administration. These exemplars help in establishing ideal types of public administration in Bhutan. The notion of paradigmatic change helps in understanding the translation of theory into practice and the complexities that arise with it.

Through the ideal types, we shall observe that public administration systems tend to exist in 'hybrid' forms. And this study, in general, contributes to the extant literature by explaining hybridity in public administration systems through the notion of paradigms. Using paradigms in public administration to identify ideal types in public administration, I demonstrate that Bhutan's public administration is an example of a system that exhibits traits of the various paradigms and models of public administration. In doing so, this book also builds on renewed interest in other forms of paradigms of public administration. There are emergent works on different paradigms, such as Drechsler's (2013) notion of the Eastern and

Islamic paradigms, in addition to the Western paradigm. Drechsler (2013, 50) argues that in the field of public administration post the new public management (NPM) era, there has not been a cohesive paradigm, and in its place are several 'paradigmettes'. Using the notion of paradigmettes, this book provides a better understanding of how hybrid systems of public administration and management develop *in situ* and how they influence the implementation of public sector reforms. It lends support to the argument that when implementing public sector reforms, it is important to consider the administrative context and the culture and values embedded with the reforms. It is often the case that when public sector reforms are initiated, the context within which the reforms are applied is discounted by the implementers. As a result, there are clashes in values and culture during the implementation of the reform, leading to its ineffectiveness.

The second part of the book discusses the dynamics of implementing public sector reforms by examining the implementation of the PCS in Bhutan's civil service. The PCS is important because it represents a comprehensive set of public sector reforms comprising five components. These components can be classified as either paradigm-shift policies or normal policymaking (this classification is based on Peter Hall's [1993] concept of paradigms in policymaking and is comprehensively discussed in Chap. 5). The categorisation of the PCS into normal policymaking and paradigm-shift policies also highlights the effect of these reforms, depending on the context and culture within which they are applied. The PCS presents itself as a policy within which various aspects of the policy cycle process can be assessed. The stages of the policy cycle such as policy formulation, decision-making and implementation are clearly visible in the PCS. This makes the evaluation of the PCS comprehensive based not only on its outcome but also the various process and other programmatic dimensions. Just a few years into the implementation of the PCS, it received a slew of public criticism. Such strong reactions to the PCS prompted the prime minister, in a gathering with senior civil servants in February 2009, to declare that the PCS was a 'mistake' which had weakened the civil service with its 'rules and regulations', and that it would be reviewed (Kuensel 2009). The sharp negative criticism came as a surprise to those involved in the formulation and implementation of the PCS: five years of extensive work went into the process of conceptualisation and formulation of the PCS, involving numerous international advisors and consultants and various committees and focal persons representing all agencies in the Bhutanese government. Study visits to countries with successful experience of public

sector reforms were also arranged. With no official or other study of the PCS conducted since its implementation, the question remained as to why it was seen to have failed and what factors prompted this view. The main hypothesis of the second part of the book is that the dynamics of public sector reform are largely influenced by the administrative context and culture of the country in which reforms are applied. Supporting this hypothesis, the first part of the book, which covers paradigms and ideal types in the field of public administration, provides the administrative context within which reforms are applied and also an insight into the nature and embedded values of the public sector reforms to be applied. The other key dimension and variables that lend support to the hypothesis are the scope and timing of evaluation and the drivers of change and their interactions. They serve the purpose of: first, accounting for certain influential variables on the dynamics of public sector reforms such as policy transfer aspects; and second, factoring out variables such as change management, stakeholder participation and other formulation and implementation issues that may influence dynamics other than the administrative context and culture.

The second part of the book speaks to the gap in the extant literature on how to evaluate public sector reforms. Despite the proliferation of public sector reforms, there is a dearth of post-reform evaluation literature, both in theory and practice. Although there have been some evaluation studies conducted by academic researchers (such as Goldfinch 1998; McNamara et al. 2009; Pollitt and Bouckaert 2011; Scheers et al. 2005) and international institutions (such as ADB 2009; OECD 2005; World Bank 2008) who have attempted to fill the void, there remain fundamental issues that make evaluation of public sector reforms a challenging field to study. In practice, although evaluations have been conducted by governments, they have been used in a relatively limited and sporadic manner (Thoenig 2003). Through the experience of the implementation of the PCS in Bhutan, this book highlights some of the problems in the post-reform evaluation literature in public administration. It also points to debate about convergence versus divergence of public sector reforms. In doing so, the book examines points of convergence and divergence in public sector reforms based on the implementation of the PCS in Bhutan. It argues that while on the one hand, factors such as globalisation and technological development have led to convergence, on the other hand, contextual and cultural differences have led to divergence. To examine the cultural differences, Geert Hofstede's work on cultural studies has been utilised. Thus, another significant contribution of the

book is that it generates original data for Bhutan using Geert Hofstede's Values Survey Module (VSM 2008). Hofstede's data set does not include data for Bhutan, and this book is the first study that has been conducted to determine the cultural dimensions using the VSM 2008. Although there have been some studies of Bhutanese cultural values, Hofstede's VSM 2008 has been helpful because of its extensive use of cross-country comparisons, organisational studies and direct relations of values to specific organisational characteristics. This book also provides some useful guidance on how to better formulate, introduce and implement public sector reforms in Bhutan. Further, using Bhutan as a case study will be useful for the field of comparative public administration. It can be concluded that the comparative study of administrative structures, functions and behaviours across organisational and cultural boundaries helps to improve the 'reliability' and 'applicability' of public administration knowledge (Jreisat 2010, 612). Closely analysing the ways in which different countries 'selectively emphasise and execute different elements of reform' leads to a better understanding of how global policy ideas are adopted and implemented within the national context (Brandsen and Kim 2010, 369).

Overview of the Book

This book is divided into two parts. The first part contains four chapters and describes the Bhutanese public administration by examining various paradigms and ideal types of public administration. Chapters 2 and 3 provide the theoretical framework for the book. Chapter 2 includes an explanation of how Thomas Kuhn's notion of paradigms based on the natural sciences is applied in the social sciences, and in particular, the field of public administration. This chapter includes a comprehensive analysis of the various paradigms of public administration and it examines some of their main theoretical foundations as well as their characteristics. These paradigms of public administration help in describing a typology of ideal types in public administration that explains the characteristics of public administration systems. Discussions on these ideal types of public administration comprise Chap. 3. It builds on the two important characteristics of paradigms, that is, 'exemplars' and 'world views', to identify ideal types in the field of public administration. These ideal types, based on the paradigms of public administration, help to determine the characteristics of public administrative systems. This chapter also argues that, in reality, public administrative systems do not always fit into one particular

paradigm. Public administration systems exist as hybrid systems that are layered with characteristics of various paradigms overlapping one another.

Chapters 2 and 3 help set the tone for Chap. 4 on Bhutan's public administration history (prior to 2006) and Chap. 5 on the PCS and Bhutan's public administration after 2006. Chapter 5 provides a historical anecdote of Bhutan's public administration from the seventeenth century to the mid-twentieth century. It also describes public administration reforms initiated from the mid-twentieth century, when modernisation policies transformed the political institutions and the socio-economic conditions of the country, until 2006, that is, when the PCS was implemented in Bhutan. Chapter 5 discusses the PCS reform initiative and also provides an insight into how some of the recent governance reforms in Bhutan have changed the public administration system. The first part of the book examines paradigms and ideal types in the field of public administration. The paradigm concept helps in explaining dynamics and interactions of the application of public sector reforms within the context of the ideal types. The paradigm approach to policymaking helps in differentiating the impacts and tensions of paradigmatic change reforms and incremental change reforms. Based on historical and recent reforms, the Bhutanese administrative system has been mapped onto the ideal type typology to show hybridity with a mix and layering of characteristics of paradigms.

The second part of the book, which examines the dynamics of implementing and evaluating the PCS, covers the remaining three chapters. Chapter 6 discusses the evaluation of the PCS, includes a brief description of the methodology of the book, and provides a basis for using a mixed-method approach to generating information for the research. This chapter evaluates the policy based on the processes involved in formulating and implementing the PCS as well as the various components of the PCS. Chapter 7 discusses the dynamics of the PCS and includes an analysis of the dimensions of policy processes, including the formulation, implementation and evaluation of public sector reforms. Some of the key discussions within these dimensions centre on policy transfer, change management, stakeholder participation and the impact of culture and values. Throughout the discussions, and especially when it includes components of the PCS, this chapter segregates the discussions into paradigmatic change reform and normal policymaking. Such categorisation helps in linking the book to the notion of paradigms and provides a better sense of the dynamics of public sector reforms. Chapter 8 synthesises the findings on the implementation of the PCS in Bhutan's civil service and connects

it to broader discussions on public sector reforms. It discusses the trajectory of public sector reform and points of convergences and divergences within this trajectory. Chapter 8 also discusses the debate about theory and practice of public sector reforms and the consequences of the dynamics of public sector reform.

The final chapter, Chap. 9, concludes bringing the discussion to a close by summarising the answers to the main objectives of the book. It also highlights some policy and theoretical implications of the findings and describes how the book contributes to the broader knowledge on public administration.

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Public Administration of Bhutan

Paradigms of Public Administration

PARADIGM: DEFINITION AND ITS USE IN THE SOCIAL SCIENCES

The field of public administration can gain from epistemological deliberations. Raadschelders (2011, 917) complains that discussions on epistemology and ontology are 'missing from the literature' on public administration. He points to two aspects that hinder the identification of boundaries in public administration. First, public administration, although a global phenomenon in terms of structure, remains rooted in the local context of the national state, thus making government a variable phenomenon (that is, dependent on culture) in terms of its functioning. Second, the boundary of government varies with the extent of government intervention in society. To get a better understanding of epistemology in public administration, it is helpful to examine Michel Foucault's notion of episteme. Foucault in his book *The Order of Things* (1970, xxii) defines an episteme as:

> … knowledge, envisaged apart from all criteria having reference to its rational value or to its objective forms, grounds its positivity and thereby manifests a history which is not that of its growing perfection, but rather that of its conditions of possibility; in this account what should appear are those configurations within the space of knowledge which have given rise to the diverse forms of empirical science.

In other words, an episteme is: the ground of thought on which in a particular period of history, some statements will count as knowledge (Mills 1997); it is a set of structural relations between concepts that delimits the totality of experience in a field of knowledge and defines the mode of being of the objects that appear in that field (Bevir 1999). Having set out the importance of gaining an understanding of epistemology in the field of public administration, a relationship between Michel Foucault's notion of episteme and Thomas Kuhn's notion of paradigm, which forms the philosophical basis for this book, can be established. There have been attempts to draw links from Foucault's episteme to Thomas Kuhn's paradigm (Naugle 2002, 181). Both these concepts are considered to represent 'world views'. For instance, Foucault in the *Archaeology of Knowledge* (1972, 15) states that an episteme is a 'world view' within a slice of history common to all branches of knowledge that imposes similar norms, postulates and structures of thought at a particular period. Similarly, Kuhn's notion of paradigm, as we shall see later, reveals the nature of things. Under this description, paradigm provides a 'description of the world' (Barbour 1974, 6) and forms a 'coherent world view' (Geddes 2003, 11). Generally, the tradition of epistemology in the modern West is divided into two categories (Alcoff 2013). The 'proceduralist' category seeks procedures of justification that transcend all historical and cultural contingencies, and such procedures include testing a theory's empirical adequacy in light of all the relevant evidence, maintaining consistency, and yielding testable predictions. The 'historicist' category holds that even if procedures are universal, their actual enactment is not, and that judgement of qualitative determinations is specific to historical context. Both Michel Foucault and Thomas Kuhn have been put in the historicist category.

The term paradigm originates from the natural sciences and was used by Thomas Kuhn (1970, 18) in his seminal work *Structure of Scientific Revolution* to suggest theories of accepted examples of actual scientific practice that have proved to be 'better than its competitors'. Paradigms, according to Kuhn, are shared crucial examples or 'exemplars' and represent dominant phenomena at a particular time. In this sense, paradigms are 'accepted examples' of actual scientific practice including law, theory, application and instrumentation of scientific research (Kuhn 1970, 10). Paradigms are resolutions of the revolutions that occur in the natural sciences. The revolutions, in turn, are responses to crises emerging from puzzles that cannot be solved. Kuhn's paradigm is best understood in terms

of its 'lifecycle', which starts with a paradigm being born when concrete scientific achievement resolves debate over the foundations, assumptions and methods of a scientific field of inquiry (Walker 2010, 435). These concrete achievements end debate over fundamentals and bring about consensus among scientists. Therefore, to be deemed a paradigm, Kuhn (1970) posits that a theory must be better than its competitor, but it need not conflict with any of its predecessors. This new theory might deal exclusively with new phenomena and may not necessarily always explain all the facts with which it is confronted. In certain instances, the new theory might simply be a higher level theory linked with a group of lower level theories.

The successful emergence of a new paradigm is in its ability to solve problems that are recognised as important, and that other theories are unable to solve. In this respect, Kuhn (1970, 187) identifies these solutions as 'exemplars' which he defines as 'concrete problem-solutions'. Thus, according to Kuhn, one of the aspects of a paradigm is to satisfy the criterion for choosing problems that can be assumed to have a solution. A new paradigm should be in a better position to explain questions that an existing one is unable to address, and in the process of accepting new paradigms over old ones, commonly held value consensus is replaced by a new set of values, agendas, personnel and assumptions (Gow and Dufour 2000; Gray and Jenkins 1995). Gow and Dufour (2000, 585–586) identify three levels of paradigms in Kuhn's theory. The first level is metaphysical or epistemological; the second is the universally recognised scientific achievement which is broader than theory and includes beliefs, values and symbolic generalisations; and the third level is that of exemplars or artefacts. Kuhn also points out three normal foci for factual scientific investigation in relation to paradigms. First, paradigms should reveal the nature of things; second, facts should be able to be compared directly with predictions from the paradigm theory; and third, empirical work should be present to articulate the paradigm theory (Kuhn 1970). Under this description, paradigm provides a 'description of the world' (Barbour 1974, 6) and forms a 'coherent world view' (Geddes 2003, 11). Paradigms are composed of models, which are 'symbolic representation of selected aspects of the behaviour of a complex system for particular purposes' (Barbour 1974, 6) and approaches, which involve 'a claim that certain factors … deserve attention, without articulating specific hypotheses about them' (Geddes 2003, 11). Thus, two important characteristics of paradigms are, first, that they represent the dominant phenomena at a particular time

(or 'exemplars'), and these exemplars are recognised as problem solvers that other theories are unable to solve. The second important characteristic of paradigms is that they provide a 'world view' which reveals the nature of things that are closely comparable to predictions based on the paradigms. In this sense, empirical work should be present to articulate paradigms.

The concept of paradigms, taking its cue from the field of natural sciences, has been extensively used in the social sciences. In the field of social sciences, Morgan (1980) points out that three broad and consistent senses of the term emerge in the field of social sciences: as a complete view of reality or a way of seeing, as relating to the social organisation of science in terms of schools of thought connected with particular kinds of scientific achievement, and as relating to the concrete use of specific kinds of tools and texts for the process of scientific puzzle-solving (Morgan 1980). Fields such as organisation theory, for instance, use the term paradigm to represent 'broad world views' which reflect different sets of meta-theoretical assumptions about the nature of science, society and dimensions of change (Morgan 1980, 609).

Another important characteristic of paradigms is the notion of paradigmatic change which occurs in the transition from a pre- to post-paradigm period. A paradigmatic change occurs when a 'novel theory' emerges only after pronounced failure in normal problem-solving activity (Kuhn 1970, 75). This novel theory is often a direct response to a crisis and in the absence of a crisis, solutions to the problems have been only partially anticipated or totally ignored. So in this sense, a paradigm change occurs when old theories are unable to solve new puzzles that are emerging and new theories are being sought to respond to these new puzzles. Therefore, to transition from a pre- to post-paradigm period, a number of schools compete for domination in a given field, and once there has been some scientific achievement, the number of schools is reduced to lead to the start of a more efficient mode of scientific practice (Kuhn 1970). A paradigmatic change also occurs when the emergence of a paradigm is able to attract most of the next generation's practitioners and 'implies a new and more rigid definition of the field' (Kuhn 1970, 19). During the transition of a paradigm, members of all scientific communities, including schools of the pre-paradigm period, share certain common elements. In this respect, the notion of paradigm change or shift has been widely used in the field of social science, particularly in policymaking. Peter Hall (1993) has done extensive work in exploring

the notion of paradigm change and uses the concept of paradigms in the public policymaking process by identifying three levels of order of change. The first- and second-order change can be seen as 'normal policymaking', that is, as a process that adjusts policy without challenging the overall terms of a given policy paradigm, whereas third-order change is likely to reflect a very different process marked by radical changes in the overarching terms of policy discourse associated with a paradigm shift. Hall (1993, 280) focuses on the process of third-order change as paradigm shift and explains that as a starting point, paradigms are 'never fully commensurable in scientific or technical terms' and that each paradigm contains its own account of how the world of policymaking operates, thus making it difficult for advocates of different paradigms to agree on a common body of data that is seeking to establish itself as the dominant paradigm. Such thinking in paradigm shift leads to three important implications (Hall 1993). The first is that a process where one policy paradigm replaces another is likely to be more sociological than scientific and the views of the experts are likely to be controversial. Second, central to the paradigm change process are issues of authority and there are likely to be shifts in the locus of authority over policy. Third, policy experimentation and policy failure are likely to play a key role during paradigm changes and a new paradigm will emerge when supporters of the new paradigm are able to secure positions of authority over policymaking and rearrange the organisation and standard operating procedures of the policy process.

An important point that Hall (1993) raises in the application of paradigm in social science is its notion of 'incommensurability'. One of the main points of departure from the natural sciences is the application of incommensurability of the Kuhnian paradigm concept. Kuhn used the term 'incommensurable' to characterise the nature of the changes that take place in a scientific revolution and claimed that successive paradigms or rival theories from these successive paradigms can ignore evidence that falls outside the dominant framework. However, Walker (2010, 434) also points out that there is a shortcoming in the application of 'incommensurability' and that such a criterion, particularly in the social sciences, leads to 'narrow, rigid, highly specialised and conservative research approaches' that suppress alternatives. Schultz and Hatch (1996, 529–530) also do not accept the paradigm incommensurability argument and take a 'paradigm-crossing' position where the focus is on 'how multiple paradigms might be engaged by individual researchers'.

They argue that in organisation theory, because of the multiplicity and diversity of perspectives that make up the field of organisational sociology, a paradigm shift does not involve a clean break away from previous paradigms. Another set of criticism in the application of the concept of paradigm is that it has tended to be 'misused' and many make quick claims to 'paradigm' use and cite Kuhn without carefully reading his work (Rommel and Christiaens 2006, 612). The most common criteria that are overlooked are requirements for concrete scientific achievement and subsequent growth of knowledge. Part of the confusion in the use of the paradigm concept is also because of the way Kuhn used the concept. It is noted that Kuhn uses the paradigm concept in more than 21 different ways (Morgan 1980). Nevertheless, the fields of social science have made extensive use of the notion of paradigms to identify 'exemplars' and 'world views' to represent dominant phenomena which rely on a set of theoretical foundations to solve problems. One such field that has picked up on the importance of the concept of paradigms is public administration. The following section discusses how the concept of paradigms is applied in public administration.

Application of the Concept of Paradigms in Public Administration

Over the years, the role of public administration has expanded and changed substantially, and administrative systems have existed in different forms. The main reason for public administration's changing forms is the influence of ideas and theories from other fields, thus requiring the study of administrative history to take on a multidisciplinary approach (Bourgon 2009; Lynn 2006; Raadschelders 2003; Spicer 2004). Theories and concepts from fields such as political science, economics, sociology, psychology, philosophy and history, and trends such as secularisation, industrialisation and demographic changes are particularly insightful in explaining public administration's metamorphosis through various approaches, models and paradigms. This has sometimes led to an 'identity crisis' in public administration. Raadschelders (2008, 927) contends that 'the search for identity in public administration may never be complete as long as it is cast in terms of a hierarchy of knowledge in which each "school" or group claims superiority'. Part of the reason why differences occur in public administration is because of diversity in researchers and their adherence to different world views. The field of public administration

is characterised by a growing divergence of perspectives and approaches, and researchers pursuing distinctive paradigms; this has led to administrative science being a collection of 'loosely related topics' with 'disciplinary fragmentation' (Astley 1985, 504). Public administration is besotted with numerous paradigms and models. For example, Henry (1975) offers five paradigms of public administration: the politics/administration dichotomy, the principles of administration, public administration as political science, public administration as administrative science, and public administration as public administration. Frederickson (1976) also comes up with five models of public administration: the classic bureaucratic model, a neo-bureaucratic model, an institutional model, a human relations model and a public choice model.

Despite the divergence in ideas, in the field of public administration, it is generally agreed that there are three key variables that are the driving force behind models of public administration: hierarchy, market and networks (Colebatch and Larmour 1993). The two generally accepted paradigms of public administration, that is, traditional public administration (TPA) and new public management (NPM) (Gow and Dufour 2000; Gray and Jenkins 1995; Hughes 2003; Lynn 2006) relate to the hierarchy and market models, respectively. In recent years, new models of and approaches to public administration, which mostly relate to the network model, have been vying to become recognised as the new paradigm. Some prominent emerging models of public administration include public value management (Kelly et al. 2002; Moore 1995; O'Flynn 2007; Stoker 2006), governance (Bevir 2011; Klijn 2008; Rhodes 1996), responsive governance (UN 2005), whole-of-government or joined-up-government (Christensen and Laegreid 2007; Pollitt 2003), new governance and public administration (Bourgon 2009), new public service (Denhardt and Denhardt 2000) and new public governance (Osborne 2006). It is also important to note that the extant debate on paradigms in the field of public administration is mostly based on the Western world. However, there is an increasing number of researchers who argue that the Eastern world has its own set of paradigms. This discussion is important when we analyse the interaction of public sector reforms based on Western public administration and applied in the Eastern world. Part of the reason for this hegemonic discussion, as Stout (2012, 391) explains, is that in the multiple ways of understanding reality, modern Western culture is 'marginalizing' others, leading to homogenisation based on superficial attention to diversity. Drechsler (2013, 2), who has done extensive work on both

Western and Eastern public administration, also points out the assumption that 'there is one good PA and that is global-Western PA', and that if countries do not adhere to or follow global-Western standards, then they are somehow remiss. He points out that there are two potential partners of global-Western PA as largely independent paradigms—Chinese and Islamic public administration—and provides the following reasons for their selection: the large body of theoretical literature that is available, centuries of practice, strong relevance today, and a unique theory and governance background. At this point, it must be pointed out that this book does not attempt to make a case for old or new paradigms. Instead, the book uses the paradigm concept as an analytical framework to identify ideal types in public administration. If an argument is to be made, it is to contribute to the existing literature supporting the presence of public administrative systems that are layered and have elements of various ideal types in public administration.

There are those who claim that some paradigms, especially NPM, do not exist in public administration. For instance, Lynn (1998) argues that NPM is not a paradigm since it does not substantially deviate from the previous paradigm, and Page (2005, 714) argues that NPM was only an 'incremental evolution' rather than a revolution. Nonetheless, even Page (2005) contends that the usefulness of the concept of paradigm to the field of public administration cannot be denied. It has been suggested that since 'public administration involves too many different purposes, too many audiences and too widely different types of persuasion', a narrowly conceived paradigm must not be imposed (Gow and Dufour 2000, 590). As Gow and Dufour (2000, 589) acknowledge, 'in the end it does not matter whether or not NPM is a paradigm' as it provides a useful rhetorical device that produces more knowledge about both NPM and TPA, with each having its own contributions. In this sense, the paradigms concept is useful for the book on two levels, with each of the levels signifying a movement. At the first level is the movement towards an 'ideal type'. Here the concept of paradigm is useful since it helps in the classification of various and often competing ideas, theories and models of public administration under broad paradigms. Such classifications establish the 'exemplars' or 'ideal types' of public administration. Paradigms, in this sense, serve as 'templates' to guide the problem-solving behaviour of members of a scientific community in the course of their daily work (Vogel 2009, 90). They also provide a clearer understanding of the theoretical underpinnings and predominant

characteristics of the public administration system and the reforms that are applied. According to Brandsen and Kim (2010, 369) it is crucial to determine the aspects of a paradigm, such as rhetoric, programmatic decisions, administrative practices or policy effects that are disseminated when discussing the diffusion and expansion of reforms. Therefore, the paradigm concept helps in explaining 'reality' where public sector reforms often fall short of reaching their ideals. It helps in explaining the concept of hybridity in public administration where features of various paradigms overlap and are layered. In the analysis of the paradigm shift in public administration, as is often observed in the social sciences, there is no clear break away between two paradigms. In fact, in the field of public administration, what often transpires is that a paradigm shift, instead, gives rise to 'quasi-paradigms' (Margetts and Dunleavy 2013) or 'paradigmettes' (Drechsler 2013) that we will explore in the sections on emerging models of public administration and when examining the layering and hybridity that occurs in public administrative systems.

The second level of usefulness is the notion of 'paradigmatic change'. This is the shift from one paradigm to another referred to by Kuhn. The book will draw extensively on arguments made by Hall's contribution on the paradigmatic notion of the public policymaking process where three levels of order of change are identified. In later chapters examining the impacts of the PCS reforms implemented in Bhutan, two different types of public sector reforms can be discerned. The first is an incremental public sector reform that seeks to improve upon existing characteristics within the same ideal type. The second is public sector reform that involves paradigmatic change, that is, reform seeking to inculcate characteristics of a new paradigm. Distinguishing the PCS reforms between the third-order change (paradigmatic change policy) and the first two orders (normal policymaking) will provide a means to explain the tensions that emerge when implementing such types of policies in practice.

PARADIGMS OF PUBLIC ADMINISTRATION

To explain the paradigms and the notion of paradigmatic changes in public administration, the book draws upon work done by Stoker (2006, 42) where he examines the public value management paradigm that he advocates as the post-NPM paradigm in contrast with the TPA and NPM. In particular, the book relies on the puzzles of public administration, and how each of the paradigms of public administration must, to justify the claim

to paradigmatic status, be able to offer answers to the puzzles. According to Stoker (2006), the key puzzles in public administration are: how is efficiency achieved; how is accountability maintained; and how are issues of equity addressed? Each of the paradigms answer the three questions by defining 'what is at stake and how it is going to be achieved in different ways' (Stoker 2006, 50). For instance, under TPA, efficiency is achieved by systematically dividing tasks and taking action by getting staff to follow procedures, rules and systems correctly. Accountability is to elected political leaders who steer and exercise oversight, and equity is achieved by meting out uniformity in services, that is, by treating all similar cases in the same way. For NPM, efficiency is achieved by setting tough performance tasks that the organisation is encouraged to achieve. Managers are held accountable for achievement of targets set by politicians under NPM and equity issues are addressed by offering a framework of responsiveness to users and setting targets to achieve fair access to services. Under Public Value Management (PVM), which is the emerging paradigm that Stoker discussed, efficiency is achieved by checking on a continuous basis that an activity fits the purpose for which it was initially set out. In terms of accountability, it is addressed by negotiating goal-setting and oversight, and equity issues are addressed by developing individual capacity so that rights and responsibilities are realised.

Stoker's explanation of the paradigms is useful to highlight 'exemplars' that aim to solve the puzzles faced in the field of public administration. This section discusses how the context within each of the paradigms differs and how each of the paradigms seeks to answer three key puzzles of public administration. In doing so, we will also describe the theoretical underpinnings to explain their differences and justifications as a paradigm. We will also observe how each of the paradigms is unable to answer some emerging problems relating to the puzzles, therefore resulting in paradigmatic change.

Traditional Public Administration Paradigm

In the seventeenth century, the Peace of Westphalia in 1648 and the subsequent rise of absolutist states in Continental Europe gave rise to professionalised and centralised organisations for administration. This rise of traditional public administration was, in large part, a reaction to stem the weaknesses of a patronage-based system that existed prior to the TPA. Pollock (1937) identifies three areas which suffered under

patronage-based systems in relation to the management puzzle of efficiency. The first was the loss of general and moral character because of the appointment of officials based on political affiliation and not on a merit basis. The second was losses to political parties because they were busy with negotiating the process of distributing the spoils. Such negotiations took up considerable time, keeping them away from more vital functions of the state such as formulation and discussion of public policies. The third loss was to public administration in terms of inefficiency and inequity. Under a patronage-based system, the cost of turnover was unusually high and was often accompanied by a loose payroll system and an inexperienced group of employees. There were also administrative lapses such as lack of careful supervision of number of hours worked, vacation and sick leave, and employees were also unable to perform because of political interruptions and interference. Concerning issues of accountability, a patronage-based system was viewed as being highly susceptible to corrupt practices, particularly in recruitment and meting out of other personnel actions such as promotions and rewards. To highlight the severity of such political appointments, Theriault (2003) points out that from the years 1861 to 1881 in the USA, the number of political appointees increased by 173 %. According to Box et al. (2001, 612), the 'progressive movement' was a reaction against the subversion of democratic values through corruption and patronage systems.

In addition to the puzzles in public administration arising from weaknesses in the patronage system, there were other emerging issues that led to the development of the traditional Western public administration paradigm. In 1854, the Northcote-Trevelyan Report in the UK recommended the abolition of a patronage-based system, and signalled the start of merit-based appointments to the public service (Hughes 2003). Similarly, in the USA, two significant developments that took place in the nineteenth century were the rise in power of the president and the start of professional public administration in 1883 with the adoption of the Pendleton Act. The passage of the Pendleton Act was significant for a couple of reasons. It introduced aspects of scientific management such as job definitions, competitive examinations, fixed appointment ladders and merit-based hiring (Light 2006; Theriault 2003). Around the same time, in other parts of the world, the birth of democratic states led to a new dimension of public administration (Luton 2003). While there is a perception that the development of public administration first started in the Western world, aspects of traditional public administration were

already present in countries such as China (Drechsler 2013). China, in its early period, had features of traditional public administration such as a permanent administrative cadre selected on merit through competitive examinations. Nevertheless, impacts of changes in public administration were initially felt in Europe and the USA before spreading throughout the world. The other key factor that played a crucial role in shaping public administration history was the Industrial Revolution, which by the nineteenth century was at its full momentum in Britain and was spreading into Continental Europe and North America. Changes in various spheres were occurring: patterns of employment were changing from the agrarian to the industrial sector and production methods were also changing, leading to division and specialisation of work. Sorauf (1959) contends that economic prosperity, expansion of educational opportunities and the need for greater specialisation of skills reduced the importance of patronage. Technological changes were affecting the way public administration was being delivered. The introduction of capitalism was also transforming the traditional way of life and states were taking on the responsibility of protecting and promoting the welfare of individuals (Jacoby 1973). The First and the Second World Wars were also responsible for an expansion in the role of the state (Lynn 2006; Rugge 2003). Post-war reconstruction and a need for welfare systems provided a spur for economic growth and expansion of technical, legal and administrative expertise and systems. It was to address puzzles such as accountability and equity that the patronage system was unable to solve and the new political and economic trends that added complexity to these puzzles that the traditional public administration (TPA) emerged as a paradigm.

Exemplars and Theoretical Foundations of TPA

The theoretical foundations of TPA are mainly derived from the history of political and social thought (Spicer 2004; Thoenig 2003) and judicial-constitutional framework (Christensen 2003). The dominant views identified with this paradigm are Max Weber and his concept of bureaucracy, Woodrow Wilson and the policy–administration relationship, and Fredrick Taylor's scientific management model of work organisation (Hughes 2003; Lynn 2006; O'Flynn 2007). Others such as Luther Gullick, Frank J. Goodnow, Leonard D. White, W.F. Willougby and John Gaus also contributed substantially to the development of traditional public administration (Lynn 2006; Spicer 2004). To be sure, Max Weber's theory on

bureaucracy was one of the main theoretical principles of the TPA paradigm. In many ways, Weber, through his theory on bureaucracy or 'modern officialdom', sought to address issues around the management puzzles of efficiency and equity. In his description of the characteristics of bureaucracy, Weber (1948) outlined the ways modern officialdom functioned: (1) on the basis of the principle of fixed and official jurisdictional areas ordered by rules; (2) on the basis of the principle of hierarchy and levels of graded authority and where lower offices are supervised by higher ones; and (3) management of the office based on written documents (files) and staff who have thorough knowledge of the rules and are experts in their field.

TPA is largely based on Weber's idea of rational/legal authority which was considered most efficient compared to other types of authority, the charismatic and traditional forms of authority (Hughes 2003), and implied that a system is founded on authority and belief in a legitimate, rational-legal political order and the right of the state to define and enforce the legal order (Askim et al. 2010; Olsen 2005). Within this rational/legal authority, according to Weber (1978, 956), the characteristics of a 'modern bureaucracy' featured in a prominent role, and it functioned according to laws or administrative regulations and an established system of supervision of lower offices by higher ones. He also noted that one of the fundamental categories of rational-legal authority is the 'continuous rule-bound conduct of official business' exercised by an 'administrative organ' or 'agency' comprising 'officials' (Weber 1978, 217–219). Bureaucracies were also responsible for the creation of central agencies that directed and controlled public officials (Jacoby 1973). The development of bureaus, which was characterised by public officials and sets of documents and files that regulated their conduct, facilitated the supervision and computation of the activities of an organised administrative system. Fredrick Taylor's theory on scientific management also influenced the TPA. Scientific management was the dominant philosophy of administrative reform from the 1930s to the 1960s (Light 2006). The principles of scientific management stressed two main points: standardising work through finding one best way of working and controlling to provide for the maintenance of these standards, and the involvement of time and motion studies to decide a standard for working, a wage incentive scheme that was a modification of the piecework method already in existence, and changing the functional organisation.

Thus the TPA paradigm sought to solve the problems of inefficiency and inequity of a patronage-based system and address some of

the emerging issues through a combination of the principles of Weber's bureaucracy and rational/legal authority and Taylor's scientific management. In the drive towards efficiency, both Weber and Taylor saw public administration as a 'machine' or a 'machination process'. Weber pictured the state and its rational bureaucracy as a 'mechanism, machine or apparatus' (Sager and Rosser 2009, 1137) and Taylor's ideas were influenced by the 'factory assembly line' (Hughes 2003, 29). Work under TPA was divided based on expertise and categorised into various levels of hierarchy, with each level being supervised by the next higher level. Strict application of rules and regulations ensured that uniformity and equity was maintained in the provision of services. To reduce inefficiencies due to patronage appointments, a system of formal appointments of staff based on their knowledge and expertise was adopted. These officials were strictly guided by and adhered to rules and procedures that were clearly specified to assist them in their work.

TPA's attempt to answer the other puzzle of accountability is addressed by the ideas propounded by Woodrow Wilson, who is seen as another leading contributor to the development of TPA. Wilson (1887) set out a normative vision of public administration as separate from politics, and also incorporated certain aspects of the private sector into public administration. Although it is argued that Wilson later never really sought to 'erect a strong wall between politics and administration' (Sager and Rosser 2009, 1140), Wilson believed that the problems of the spoils system resulted from linking administrative questions with political ones (Hughes 2003). This need to have an apolitical public administration which would be more 'businesslike and scientific' arose because of the spoils system that affected policy implementation (Box 1999, 26). Although maintaining the politics–administration dichotomy has been a challenge, its contribution to the shaping of the TPA as a paradigm cannot be denied (Rugge 2003). Basically, under TPA, the politics–administration relationship sought to clarify the relationship of accountability and responsibility in public administration (Hughes 2003). In this regard, public servants were accountable to the ministers who, in turn, were accountable to the people. It was generally felt that the process of government consisted of two components: decision-making, which was the function of politics; and implementation of activities, which was the role of public officials (Waldo 1955). Thus, the TPA has been characterised by a politically neutral administration, where the public servants are anonymous, and that strives to serve any government equally.

Criticisms of TPA

Throughout the 1980s and 1990s, the critique of TPA strengthened and there is increasing literature rejecting earlier proponents of TPA and its purpose. Some of the main allegations against the TPA were that it was inefficient, ineffective, bloated, expensive, bureaucratic, burdened by rules, unresponsive, secretive, self-serving, preoccupied with structures and processes, involved in too many activities and out of touch with reality (Goodsell 1994; Gray and Jenkins 1995; Jones and Kettl 2004; Lane 1997; Thoenig 2003). While it is argued that earlier eras were conducive to a centralised and bureaucratic public administration where laws and regulations ensured equity through standardised services and accountability by way of compliance with procedures, changes taking place in the 1980s and 1990s in the sphere of politics, economics, society and government challenged TPA traditions (Page 2005). The puzzles that were emerging in practice were associated with the underlying theories of TPA based on bureaucracy, one best way, public interest and the separation of politics from administration (Hughes 2003). The shortcomings of traditional administration were becoming apparent and it was perceived to be inflexible, unresponsive and opaque (Alford and Hughes 2008). Provisions of services under the TPA were seen to be inefficient and ineffective with undue influence for employees and high costs (Dawson and Dargie 2002).

It was argued that the TPA developed under different circumstances and served a different purpose altogether (Osborne and Gaebler 1992). Societies were much smaller and closer knit, the pace of development was relatively slower and access to information was restricted. By the 1980s, developments were taking place across various spheres, calling for TPA to change and keep abreast with new developments. This new emerging problem could not be answered by TPA and changes were occurring as a response to changes in economic theory, the impact of changes in the private sector due to globalisation as an economic force and changes in technology (Hughes 2003). Bureaucracies, which were the fundamental characteristic feature of TPA, were rendering the public sector rigid and dysfunctional, leading to a series of communication blocks and distortions (Goodsell 1994). Public officials were also perceived to be expanding their administrative empires and were unresponsive to the demands of citizens (Kaboolian 1998). Public administration looked to neoclassical economics and market liberalism to address the weaknesses of TPA that called for two key changes—that is, a reduction in the role and size of the state and

adoption of a private sector model. These two changes were based on theoretical traditions informed by economic theories and business management, which together, formed the New Public Management (NPM) paradigm.

New Public Management Paradigm

In the 1980s, changes in the public sector were occurring as a response to various global and national political, economic, social and governmental developments taking place during the same period (Brinkerhoff and Brinkerhoff 2002; Hood 1991; Hood and Jackson 1996; Page 2005). At the global level, some of the major changes taking places were: a period of long peace in developed countries since World War II, globalisation brought on by economic growth, privatisation, the growth of an information society and a knowledge-based economy, changes in technology, the economic crises of the 1970s and the 1980s and the end of the Cold War. At a micro level, the changes taking place were: new ways of conceiving of the state, changing income levels that laid the foundations for a new tax-conscious society, and a shift to more white-collar population and increasing customer demand for high quality and extensive choice. Voters and elected officials also demanded cost-effective programmes and citizens sought responsive services from governments (Page 2005). The changes in the global and national agendas led to a 'worldwide governance reform movement whose concepts and prescriptions converged into a common model with economic, administrative and political dimensions' (Brinkerhoff and Brinkerhoff 2002, 512). Such change, to a certain extent, led to political systems that favoured a neoliberalist approach that reduced the scale and scope of government through the adoption of business and market-oriented ideologies, policies and political programmes (Lynn 2006). Demand for these changes came from both the scientific and practitioner communities, including financial institutions, media, management consultants, academic scholars, the general public and international institutions (Jones and Kettl 2004).

Within the scientific community, the search for a new paradigm of public administration sought to respond to the puzzles the TPA began in the 1980s and 1990s. The new paradigm initially was known by several names, such as managerialism, new public management, market-based public administration, the post-bureaucratic paradigm and entrepreneurial government, before settling on 'new public management' (NPM)

(Hughes 2003). What followed was a search for answers to solve the new puzzles faced by public administration. Answers were largely sought from economic theories and practices from the private sector. Institutional economic theories such as public choice economics provided answers to the strong wave of anti-government ideology in the 1980s and the demand for smaller government (Box 1999). The introduction of management practices based on the private sector was seen as the answer to inefficiencies in bureaucracy and sought to transform the public sector by reinventing government. Practices such as contracting out services, performance management and hiring managers from the private sector were some of the strategies introduced to make public administration more business-like (Box 1999; Dawson and Dargie 2002).

The NPM represented a 'paradigm shift' from the TPA (Saint-Martin 1998, 319). First, the NPM paradigm was fundamentally different from its predecessor (Dawson and Dargie 2002; Gow and Dufour 2000; Hood and Jackson 1996; Lane 2005). The TPA was based on political and legal rationality, whereas NPM was based on neoclassical economics and managerial values and practices; thus representing a shift from the role of policy development to management and from a focus on processes to outputs. As a paradigm, NPM attempted to better its predecessor by incorporating principles from business models and neoclassical and institutional economics (Barzelay 2002; Gow and Dufour 2000; Kaboolian 1998; Lane 2005; Osborne and Gaebler 1992). NPM was also associated with administrative techniques such as deregulation, privatisation, decentralisation, merit-based pay, partnerships, competition and customer orientation (Gow and Dufour 2000; Kaboolian 1998; Klijn 2008; Lynn 2006); and values such as economy, service, responsiveness, dynamism, mission and flexibility (Box 1999; Gow and Dufour 2000; Gray and Jenkins 1995). Terry (2005, 431) points out that the presumed advantage of competition and the perceived superiority of private sector technologies and practices form the basic premise for a market-driven management style. Along with the techniques of business administration, NPM sought to incorporate values of the private sector (Denhardt and Denhardt 2000). It was in the late 1970s and 1980s that the word 'management' began to appear in place of 'administration' (Gray and Jenkins 1995), that is, the period when the NPM paradigm was challenging the TPA paradigm. The replacement of the term management for administration reflected a profound change that was taking place in the field of public administration. The term administration essentially sees the role of the public sector as within the 'legal-

political framework' (Rimington 2009, 567) that characterises Weberian bureaucracy. Under this description, public officials function to achieve targets set out by political forces, based on the legal framework and financial and other resources allocated to them. Management, on the other hand, reflects the influence of the market and private sector principles and empowers public officials with wider managerial responsibilities. In the sense of management, responsibilities were delegated to public officials who were provided with greater discretion to apply human resource and financial strategies to 'secure defined' or 'agreed' outputs (Rimington 2009, 567).

The spread of NPM started from Western Anglo-Saxon countries. Countries such as the USA and the UK began to introduce certain market-like characteristics such as performance management systems and citizens' charters that later became prominent features of the NPM paradigm. The effectiveness of these public sector reforms was noticed and new standards and roles were established (Denhardt and Denhardt 2000). Subsequently, NPM began to spread to other Western countries (Capano 2003; Gualmini 2008) and other developing countries (Brandsen and Kim 2010). There were elements of symmetry in the spread of NPM, according to Hood and Jackson (1996, 187). First, NPM fitted a desire for change in fashions for the appearance of something new. Second, NPM's emphasis on management and abandonment of tenure fitted with trends in political campaign technology where professional political strategists played a larger part in policymaking than traditional players in the world of political advice. Third, NPM fitted in with the broader socio-technical changes of the late twentieth century, which included changes in technology and economic structure (from standardised mass production to flexible production) and changes in the composition of labour and the electorate (decline in the proportion of white-collar, college-educated workers).

Exemplars and Theoretical Foundations of NPM

The term 'new public management' was coined by Christopher Hood (1991, 5), who accredited the origin of NPM as a 'marriage of two different streams of ideas': the new institutional economics which included theories such as public choice, transaction cost and principal-agent; and business-type managerialism in the public sector. Similarly, Barzelay (2002, 21–22) defines NPM as the theoretical claims about how government should be organised and managed as: (1) an 'administrative

philosophy' where it is a function of public choice theory and managerialism, and (2) 'new institutional economics' where it is a function of public choice theory, transaction cost theory and principal-agent theory. Hood (1991) sets out the broad doctrinal components of NPM as:

1. Hand-on professional management in the public sector, where there is active discretionary control of organisations for managers and accountability requires clear assignment of responsibility for action;
2. Explicit standards and measures of performance that are clearly defined by goals and targets and expressed in quantitative terms;
3. Greater emphasis on output controls, where resource allocation and rewards are linked to measured performance and the stress is on results rather than procedures;
4. Shift to disaggregation of units in the public sector due to the break-up of formerly monolithic units dealing on an arms-length basis and the need to create manageable units with separate provision and production interests;
5. Shift to greater competition in the public sector by moving to term contracts and tendering procedures;
6. Stress on private sector styles of management practice with greater flexibility in hiring and rewards and use of Public Relations (PR) techniques.
7. Stress on greater discipline and parsimony in resource use through cost cutting and other measures.

The advocates of NPM believed that the public sector could be organised and managed in a similar manner to the private sector (Dawson and Dargie 2002). New forms of organisations that were lean, adaptable, flexible and innovative also emerged (Osborne and Gaebler 1992), and the government's role was to provide basic services and infrastructure efficiently and effectively (Brinkerhoff and Brinkerhoff 2002). Central to the NPM is the argument that the ineffectiveness of huge government-run organisations led to the widespread substitution of contracts and outsourcing of any function that was seen as being performed better under a market-based system (UN 2005). Thus, in terms of efficiency, NPM sought to emulate private sector practices and set performance tasks that the organisation was encouraged to achieve. In this respect, NPM challenged the seemingly inefficient monopolistic nature of the public sector. Applying the private sector theory that responsiveness to consumer preferences and improving organisational effectiveness are

important to improve public service, NPM replaced traditional bureaucratic command and control mechanisms with more market-based strategies (Aberbach and Christensen 2005). Economic theories such as transaction cost theory were applied, which specified situations where it is more cost-effective if services are contracted to the private sector rather than in-house production. Through the application of transaction cost theory, services were privatised and contracted out of governmental services to improve effectiveness and efficiency, therefore creating competition through market or semi-market mechanisms in the provision of services and using performance indicators to specify desired outputs (Klijn 2008). To improve efficiency in the delivery of public services, market incentives were also incorporated (Margetts and Dunleavy 2013). Tools such as privatisation, public–private partnerships, performance-based pay and user charges were introduced into the public sector. Another economic theory that influenced efficiency in the NPM was public choice theory. According to Denhardt and Denhardt (2000, 551), public choice 'views the government from the standpoint of markets and customers' and public choice also served as a compelling model of government and a road map to reduce government and make it less costly. The basic assumption of economics—and therefore, public choice theory—is that individual actors are utility maximisers and seek to pursue self-interest that leads to smaller government and a pro-competition approach. The conceptualisation of the public sector as a model of 'self-interested maximizer' represented a move away from models of control by legislature or a sense of duty to the public interest (Box 1999, 27).

Under NPM, politicians set public goals that managers were held accountable to deliver. In this respect, accountability required a clear statement of goals and efficiency required a hard look at objectives (Hood 1991). Foster (2001, 746) cautioned that the old ways where public officials had a monopoly on advice and information would not work, and called for a system that was less dominated by public servants. Towards enhancing accountability and competition in the NPM paradigm, concepts from neo-institutional economics such as principal–agent theory were applied. Principal–agent theory, in general, deals with conflict between principals and agents. It describes principals as those who contract services and agents as those who carry out services (Knott and Hammond 2003). More broadly, a principal–agent relationship is created when one actor (principal) asks another actor to do something on their behalf (agent). Box (1999) highlights two principal–agent relationships that NPM dis-

tinguishes. The first relationship is between citizens who are principals and politicians as their agents. This relationship also views citizens as customers to whom senior officials are accountable. It is through the relationship with the public as consumers that governments under the NPM paradigm seek equity by being responsive to users and setting targets to achieve fair access to services. The second principal–agent relationship is between politicians who are principals and public servants as their agents. NPM seeks to separate politics from administration by giving managers discretionary power over the day-to-day management. Managers are free to make decisions within the legislative and policy frameworks set by politicians (Newman 2002). Knott and Hammond (2003) identify a third principal–agent relationship, that is, between superiors and subordinates. In this case, principals contract services and agents carry out the services. NPM advocated the presence of hands-on professional management in the public sector. Rather than restricting the roles of managers to just administering rules and instructions, it was felt that management should be proactive and given enough discretionary controls to determine appropriate means of achieving objectives (Hood 1991; Lane 2005). Discretionary limits were set through legislative and policy frameworks, and the controls and means managers had at their disposal were a range of financial, human resource and other managerial tools. Managers were also encouraged to be more entrepreneurial and innovative. In order to enhance competition in the public sector, contracts and public tendering procedures were incorporated under the NPM paradigm.

Criticisms of NPM

In recent years, there has been an increasing amount of criticism levelled at NPM. The criticisms can be broadly classified into three main categories. The first is against some of the inconsistencies in the theoretical foundations of NPM. The inconsistency is reflected in the combination of the centralising elements of institutional economic theories and the decentralising elements of management theory (Aberbach and Christensen 2005, 226). Within such a tension, the decentralising aspect has an upper hand, and results in the shrinking role of the state (Vigoda-Gadot and Meiri 2007). This results in reductions in public service through loss of functions and staff, less discretion through stress on efficiency and a smaller role in policy advice (Rhodes 1996). The second set of criticisms of the NPM was that its reliance on the private sector and market principles was not necessarily a better alternative to

earlier bureaucratic systems. The NPM did not focus on outcomes, and the emphasis was on cost efficiency and outputs (Cole and Parston 2006; O'Flynn 2007). Customer satisfaction was an 'end in itself' rather than a 'means to an end' (Aberbach and Christensen 2005). Foster (2001, 743) points out that public servants dwell in a completely different environment to the private sector. For instance, public servants operate in a political environment of law-making and implementation. They are expected to deal fairly and equitably with every citizen and they work with multiple and competing objectives that are less clear than profit and loss.

The third criticism of the NPM was in its ability to provide answers to certain challenges posed in public administration. In this sense, Rhodes (1996) identifies four problem areas that the NPM was either unable to solve or which resulted from the weaknesses of NPM. There continued to be problems of specification where the public sector had to deal with complex and hard to specify objectives where there was a need for trust and values. The NPM resulted in a problem of disaggregation and there was a need for coordination. Problems of due process also arose that required the need for impartiality, integrity and accountability. And there were problems of capacity, particularly the capacity to deal with crisis. These criticisms of the shortcomings of the NPM and its inability to address emerging challenges of public administration have resulted in the search for a post-NPM paradigm.

New Models of Public Administration

Increasingly, shortcomings where the NPM is unable to solve the puzzles of public administration are beginning to surface. Although NPM advocated achieving efficiency through competitive regimes, evidence has shown that it is usually costly to implement and that such approaches lead to increased transaction costs due to high costs of contract preparation, monitoring and enforcement (O'Flynn 2007, 358). In other words, levels of competition often do not always produce savings. The transaction costs arising out of a more market-oriented model also increased because of costs associated with the production processes requiring multiple transactions among independent suppliers, owners, labour and experts (Knott and Hammond 2003, 139). Furthermore, there was a sense that governments were getting increasingly 'fragmented' (Osborne 2006) and preoccupied with vertical coordination

(Christensen and Laegreid 2007). This was partly because of the incentive structure prescribed by the NPM, which rewarded the achievement of an organisation's goals more than achieving system-wide objectives (Ling 2002). Terry (2005, 428) contends that the NPM philosophy and practices have contributed to an increasingly 'hollow state with thinning administrative institutions'. Such hollowing out of government functions led to a lack of efficiency and accountability in public administration. Governments were unable to provide essential social services; the private sector also did not step in to provide these (Lane and Wallis 2009).

NPM is also perceived to be detrimental to representativeness and democratic principles since it prioritises performance over accountability to citizens (Kersbergen and Waarden 2004). These criticisms highlight the stark differences between the public and private sectors. Rimington (2009) argues that the private and public sectors are indeed quite different. The notable differences are: the public sector functions within the scope of public laws, popular expectations and international obligations whereas private businesses can choose to operate based on market remuneration or opportunities; the tasks performed by the public sector are generally those which the private sector is unwilling to provide, or where there is no incentive for profit maximisation or profit-taking is banned by law; and public policy making involves consultative activities with multiple groups and people, and requires enormous effort, whereas the private sector only thinks in terms of clients' best interests. Perhaps herein lay one of the main restrictions imposed by NPM, that is, in limiting the relationship between the public and the public management system to that of a client–customer relationship. There are differences in the characterisation of citizens as clients (Alford and Hughes 2008), and accountability should be to the collective interests of citizens and not the aggregation of their preferences (Kelly 2005, 76). There were also concerns that private sector principles, where the main aim was to seek profit (Aberbach and Christensen 2005), and issues of social injustice and fairness (Box 1999) did not fit the needs of the public sector. Private sector determinants of success, such as productivity and customer satisfaction, were inadequate to ensure high-quality performance in the public sector (Bourgon 2009). The blanket assumption made by the public choice theory of public officials as rational actors who were self-serving ignored a certain segment of the population in the public sector who acted in a selfless manner and towards the best interests of the public. Perry et al. (2010) point out that there is a distinct

public service motivation driven by civic duty and compassion and not by self-concern and self-interest.

In terms of some of the emerging problems associated with public administration that the NPM did not address, Pierre (2009, 598) points out that the NPM overlooked the increasing role of networks and other key players in the external environment, which the public sector has opened up to over the past decade. These actors, together with the public sector, play an active role in gathering of information, bargaining, persuasion, collaboration and policy implementation. Vigoda (2002, 534) argues that when someone is treated purely as a client, which was the case under NPM, they are then not engaged actively in the social initiative but are only a passive consumer. Another limitation that the NPM posed was in its ability to deal with increasingly complex contemporary issues. These include population mobility, cultural diversity, rapid technological change, urban problems, and dynamics of global markets (Bogason and Musso 2006; Pierre 2009). There is a desire for public administration to be characterised by a collective decision-making process which includes a wide range of stakeholders in the context of uncertainty and complexity (Stoker 2006). The public sector is encouraged to look to new forms of governance and state–society linkages, which are multilayered and involve citizens in their new roles as co-producers, customers, clients and partners in the conception, formulation and implementation of policies. Increasingly, public administration seeks to imbibe citizen- or society-centred logic to replace government-centred logic, and focus on serving and empowering citizens (Bouckaert et al. 2005; Denhardt and Denhardt 2000). From what was strictly a public sector domain, the governments reached out to a wider network which included non-governmental organisations, think tanks, consultancy firms, management consultants and academic centres, for advice, research and information (Bogason and Musso 2006; Rhodes et al. 2008). According to Alford and Hughes (2008, 137), the concept of network has not only become popular as an analytical concept 'to make sense of the world of complex interaction around policy' but also as a catchword for 'alternative ways of managing complex interactions around policy formulation, implementation or service delivery'. The NPM paradigm was also accused of eroding traditional public service values such as probity, impartiality, fairness and equality and a loss of morale (Dawson and Dargie 2002; Peters and Savoie 1994).

Emergent Models/Paradigms of Public Administration

In recent years, NPM has been perceived as being unable to solve the major puzzles of public administration. Some problems are inherent in the theoretical underpinnings of the paradigm itself, and the other problems arise out of new developments and changes that are taking place at the macro level. An alternative paradigm that seeks the place of exemplars is being sought in the field of public administration in place of NPM. Some prominent contenders are: governance-related models, for example, responsive new governance and public administration (Bourgon 2009), governance (Rhodes 1996; UN 2005), new public governance (Osborne 2006), digital-era governance (Dunleavy et al. 2006), governance based on public value such as public value management (Moore 1995), and joining up government agencies such as whole-of-government or joined-up government (Christensen and Laegreid 2007; Pollitt 2003). None of these models have attained the status of a paradigm yet, but they do fit the definition of 'quasi-paradigms', a term suggested by Margetts and Dunleavy (2013), to define models that have a macro-theory but have not been properly tested and have an unclear criterion of plausibility. According to Margetts and Dunleavy (2013, 2), 'quasi-paradigms' occurred because the NPM wave ground to a halt, amid growing signs of crises and contradiction.

The following section examines the macro-theories of these new models. The models have been broadly categorised within the context of two models that appear prominent in the lead up to a possible paradigm. The two are governance-related models and value-related models. In relation to the first model, that is, governance-related, various definitions of governance have been offered. Kim et al. (2005, 647) described governance as the 'process of policy making through active and cohesive discussion among policy makers who are interconnected through a broad range of networks' and as a 'multiple-stakeholder process'. According to Bevir et al. (2003, 192), governance is used to refer to 'a pattern of rule characterised by networks that connect civil society and the state'. Emerson et al. (2011, 2–3) came up with the term collaborative governance which allows for its use as a 'broader analytic construct in public administration and enables distinctions among different applications, classes and scales', and they refer to 'collaborative governance' as:

> The processes and structures of public policy decision making and management that engage people constructively across the boundaries of public agencies, levels of government, and/or the public, private and civic spheres in order to carry out a public purpose that could not otherwise be accomplished.

Morrell (2009) contends that the usage of the term governance varies in different disciplines, and Kersbergen and Waarden (2004), 145–148) offer seven different contexts where 'governance' is used, ranging from economic development to international relations theory. A common strand that emerges from the use of governance in the field of public administration is the importance of networks and pressure groups (Bevir 2011; Kersbergen and Waarden 2004), and the focus on improving inter-organisational coordination to improve policy processes and to link actors to these processes (Klijn 2008). This 'multipartner governance', according to Emerson et al. (2011, 3), includes partnership among states, the private sector, civil society and community. The emphasis on governance represents a shift of bureaucratic government to a more direct and accountable government which is horizontal and employs networks for its services (Hill and Lynn 2005). It has also increased the involvement of NGOs in policymaking and management, and citizens' demand for participation in public affairs (Bogason and Musso 2006). Related to the governance model is also whole-of-government, which was initiated to overcome challenges of the vertical style of management within agencies that NPM created. A 'silo' style of operation resulted in duplication of effort towards achieving similar objectives, and led to wasteful expenditure (Hunt 2005). This was partly because of the incentive structure, which rewarded the achievement of an organisation's goals more than achieving system-wide objectives (Ling 2002). Therefore, the underlying goals of the whole-of-government approach are to eliminate contradictions and tensions between policies, to make better use of resources, to enhance cooperation among stakeholders and to produce an integrated set of services for citizens (Pollitt 2003). An important aspect of the whole-of-government approach is that it facilitates emphasis on areas that cut across traditional boundaries and attempts to solve the puzzles that the TPA and NPM could not address such as poverty, innovation, climate change, national security, demographics, science, education, sustainable environment, energy, rural and regional development, transportation, and work and family life.

The second contender for the emerging paradigm of public administration is the value-related models. In this respect, models such as public value management and public value pragmatism have at their core the achievement of 'public value' and they are essentially strategic implementation management approaches. Stoker (2006, 42) notes that public value is 'more than a summation of the individual preferences of the users or producers of public services' and it differs significantly from TPA and NPM in the understanding of public interest, the nature of public service ethos, the role of managers, and the contribution of democratic processes. According to Alford and O'Flynn (2009, 175), public value differs from public goods significantly in terms of the range of goods it includes and ones which remedy market failures such as negative externalities, natural monopolies or imperfect information. They also state that public value encompasses not only 'outputs', which are the primary products of public organisations, but also 'outcomes' which are the impacts upon those who enjoy the value or good. At the heart of the public value approach is Moore's (1995, 71) strategic triangle. The three interrelated points of the strategic triangle are the creation of public value at one point, legitimacy and support at another point, and organisational capacity at the third point. According to Alford and O'Flynn (2009), the strategic triangle focuses attention on developing strategies that are of substantive value, that are legitimate and politically sustainable, and that are operationally and administratively feasible. Alford and Hughes (2008, 133) also claim that public value does not ignore processes, and will seek the greatest possible benefit to the public within the financial and legal resources. Public value management also seeks to address the complexity and interdependence of governance on managerial systems amidst conflicting demands of efficiency, accountability and equity (Roy 2008).

Exemplars and Theoretical Foundations of the New Models

While it is yet to be determined whether a new paradigm of public administration will develop, nonetheless, a common pattern among the new and oftentimes competing models of public administration appears to be emerging. Alford and Hughes (2008, 130) point out that there appear to be two central themes. The first theme is 'cooperation' between organisations to achieve results and it is represented by terms such as network governance, collaborative government, public–private partnerships and joined-up government. The second is the 'results' theme which differs from the NPM's focus on outputs and is denoted by terms such as

outcomes management or public value management where achieve-ment of public value is the core objective. In both cases, the main theo-retical basis is the democratic principles of governance. Most authors (example.g., Alford and Hughes 2008; Bogason and Musso 2006; Klijn and Koopenjan 2012; Osborne 2006; Pierre 2009) point to 'network governance theory' as the theoretical foundation for these new mod-els. While the first theme seeks to address management puzzles around accountability and equity, the second theme primarily redresses issues posed by NPM around the puzzles of efficiency in public administration. The theoretical underpinning that responds to what Stoker (2006, 42) describes as the 'narrowly utilitarian character' of NPM is the creation of 'public value'. The public value approach is largely drawn from the work of Moore, signalling a shift away from a primary focus on results and efficiency towards the achievement of the broader governmental goal of public value creation (O'Flynn 2007, 358). Moore (1995) through the 'strategic triangle', posits that a strategy for public sector organisa-tions must meet three broad tests. To constitute public value, which is at one end of the triangle, a strategy must have legitimacy and support, and must be operationally and administratively feasible. In the creation of public value, the role of a manager in the public sector is to create 'public' value which differs from the private sector where the role of the manager is to create 'private' value (Moore 1995, 28). In this respect, Moore (1995, 54) claims that 'public value' can be created when benefits outweigh costs in the production of goods or services, and more impor-tantly, it must be done in a way that assures citizens that 'something of value' has been produced. According to Stoker (2006, 42), 'networks of deliberation and delivery' are central features of the 'public value' approach, and it is this understanding of public interest, the nature of public service ethos, the role of managers and the contribution of demo-cratic processes that are different from TPA and NPM. It is through the process of representative government, where deliberation among elected officials, government employees and key stakeholders takes place, that public value is determined. The tool proposed towards achieving public value is a more contingent approach rather than an in-built preference for either government production or the market, and partnering in col-laborative relationships between government organisations and private for-profit or third-sector organisations (Alford and Hughes 2008).

The new models differ from TPA and NPM in their approach towards the management issues of accountability and equity by taking a negoti-

ated goal-setting and oversight, and by developing individual capacity so that rights and responsibilities are realised. This occurs through the use of democratic principles of deliberative and responsive democracy and network theory. Stoker (2006, 47) argues that in a challenge to both TPA and NPM, under a new paradigm, the 'governance of the public realm involves networks of deliberation and delivery in pursuit of public value'. Essentially, the model seeks to overcome the failure of NPM to address 'wicked problems' such as complex interdependencies by incorporating aspects of network theory (Klijn and Koopenjan 2012). Basically, network theory focuses on those actors who participate and have access to decision-making in policy networks. Similarly, Osborne (2006, 384) points to the role of multiple interdependent actors who contribute to the delivery of public services (a 'plural state'), and where multiple processes inform the policymaking system (a 'pluralist state'). Networks are 'usually informal groups of actors sharing an interest in a specific set of issues' (Pierre 2009, 600). Brinkerhoff and Brinkerhoff (2002, 512) also point to the principle of 'democratic governance', which 'addresses social equity and inclusiveness, management of diversity, broad-based legitimacy and protection of vulnerable groups' through mechanisms of political elections, accountability and integrity systems, conflict resolution and consensus-building institutions and procedures. They conclude that these governance models aim to open policy and resource allocation processes beyond closed circles of elites and devolve meaningful authority to local bodies that are accessible to citizens. It is this form of representative democracy that allows 'flexibility to balance different interests and develop policies to meet shifting circumstances' (Stoker 2006, 44). Stoker (2006, 48) also argues that there is a 'need to give more recognition to the legitimacy of a wide range of stakeholders' by involving all stakeholders in the decision-making process. The various stakeholders include business partners, neighbourhood leaders, those with knowledge about services as professionals or users, and those in a position of oversight as auditors and regulators.

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Ideal Types in Public Administration

Ideal Types to Reflect 'Exemplars' and 'World views'

In Chap. 2, it was observed that two important characteristics of paradigms that are helpful in making sense of the field of public administration are the notions of 'exemplar' and 'world view'. Exemplars represent dominant phenomena to solve problems that other theories are unable to solve. World views reveal the nature of things. These two key characteristics of paradigms help in the identification of ideal types in the field of public administration based on various paradigms in public administration. Based on Max Weber's principal method of theory building by ideal-typing, Stout (2010) explains that ideal types provide strong conceptual instruments for comparison with, and the measurement of, reality. In this sense, ideal types fit into a typology. For typologies to be robust and useful, Stout (2010, 499) explains that they must be empirically grounded, well explicated and comprehensive, and must result from a well-designed, logical, generalised, systematic approach rather than inductive observation of a small set of particulars. Such a process will result in an ideal type with three distinguishing characteristics, which are all criteria to consider in evaluating an ideal type or typology: (i) it must be focused on a specific social phenomenon; (ii) it must have a specified frame of reference; and (iii) the elements of the phenomenon considered must be of cultural significance and be sufficient for causal explanation. Rogers (1969) also

identifies three categories of ideal types: concrete historical individual (an analysis of elements of real phenomena), relative historical concepts (analysis of ideas) and general ideal types (analysis of recurrent and prevalent phenomena). The ideal type as understood and used in this book mainly belongs to the category of the 'general ideal type'. As Rogers (1969, 90) explains, an analysis of bureaucracy or hierarchy as an ideal-typical institution falls into the category of 'general ideal type' because bureaucracy is a 'subtype of legal authority in Weberian methodology' (Rogers 1969, 90). Similarly, extending this explanation of bureaucracy as a general ideal type in public administration that analyses recurrent or prevalent phenomena, a market model (that represents the new public management [NPM] paradigm) is also an ideal-typical institution. This book also extends the notion of the ideal type to include Rogers' second category of ideal types, that is, 'relative historical concepts' or the analysis of ideas. This allows the network model (representing a post-NPM paradigm), which is an emerging model, to be labelled as an ideal type, an idea that is helpful in revealing the nature of public administration systems conceptually. In the following section, in addition to the main characterisation of the paradigms represented as either hierarchical, market or network government, we also examine other characteristics of each of the paradigms of public administration. These descriptions reveal the nature of different characteristics of ideal types in public administration.

KEY CHARACTERISTICS OF THE DIFFERENT IDEAL TYPES

Prior to setting out the descriptions of each of the characteristics of the ideal types, it is important to note that in addition to the traditional public administration (TPA), NPM and emerging models, the patronage system has also been included as an ideal type of public administration. While it has never been classified as a paradigm, the patronage system is an important component of administrative history and forms the basis for the emergence of the TPA as a paradigm. In the Kuhnian sense, the patronage system is the 'pre-paradigm' period, which is a period marked by frequent and deep debates over legitimate methods, problems and standards of solution, which serves as a platform for the emergence of a paradigm (Kuhn 1970, 48). Sorauf (1959, 28) defines patronage as 'an incentive system', a political currency with which to purchase political activity and political responses. It can be assumed that the patronage system prevailed in many nations from the early periods of public administration's history

right until around the time when modern public administration systems were introduced in Western countries in the seventeenth and eighteenth centuries. The patronage system has been included in the ideal type framework since some countries, particularly developing countries such as Bhutan, still continue to exhibit characteristics of the patronage system in their public administration.

To that end, similarities and differences between these ideal types are outlined and summarised in Table 3.1.

Table 3.1 Ideal types of public administration

	Patronage	*Traditional public administration*	*New public management*	*Emerging models*
Characterisation	Spoils System	Bureaucratic	Post-Bureaucratic, Competitive Government	Post-Competitive, Collaborative Governance
Citizen–state relationship	Servant–Master	Obedience	Entitlement	Empowerment
Accountability of senior officials	Ruler/ Sovereign	Politicians	Customers	Citizens and stakeholders
Dominant focus/guiding principles	Loyalty	Rules	Results	Relationships
Key attributes	Personal relationships	Impartiality	Professionalism	Responsiveness
Preferred system of delivery	Duress/ Forcibly	Hierarchical departments or self-regulating profession	Private sector or tightly defined arms-length public agency	Menu of alternatives selected pragmatically
Performance objectives	Satisfying the needs of the ruler/ sovereign	Managing inputs	Managing inputs and outputs	Multiple objectives including service, outputs, satisfaction, outcomes
Role of public participation	Provide services	Limited to voting in elections	Limited—apart from customer satisfaction surveys	Crucial—multifaceted (customer, citizen, key stakeholder)

Source: Adapted from Kelly et al. (2002); O'Flynn (2007); Stoker (2006) and UN (2005)

In the literature pertaining to public administration, there are references to eight characteristics that permeate its practice: characterisation, citizen–state relationship, accountability of senior officials, dominant focus or guiding principles, key attributes, preferred system of delivery, performance objectives and role of public participation. These relate closely to Stoker's three puzzles of public administration as outlined in Chap. 2. To answer some of these three fundamental questions, a typology representing the broad characteristics of the main paradigms and approaches to public administration is presented in Table 3.1. The typology highlights the ideal types in public administration represented by each of the paradigms.

Characterisation

The patronage system can be characterised by the notion of a 'spoils system'. It is a system based on the concept where 'it is axiomatic that "to the winners go the spoils"' (Gardner 1987, 171). Prior to the TPA, it was considered one of 'the most effective devices through which executive influence could be exerted' (Kaufman 1956, 1068). The spoils system was prevalent during the times of kings and emperors, who distributed power and position to loyal supporters, and also in the USA, where the president appoints political supporters to the government. The spoils system benefits both the benefactor and the beneficiary.

The characteristic feature of the TPA is its bureaucratic nature. In its ideal form, the TPA is characterised by a hierarchical and multilayered structure grouped by functions (Alford and Hughes 2008). The structures tend to be highly centralised and top-down, where spans of control are larger as the ranks get higher. It was considered during TPA's initial years that such hierarchical, centralised and specialised structures were conducive to efficiency (Lane 2000). As such, the objective of TPA is to create a professional administrative system to pursue economy and efficiency through the utilisation of science and rationality (Luton 2003; Waldo 1955). Its main features seek to introduce into the system consistency, uniformity and professionalism that the patronage system lacked, through the principles of Weber's bureaucracy and Taylor's scientific management such as routinisation, standardisation and specialisation.

In the NPM ideal type, there is a fundamental shift in the structure of the public sector from its predecessor. Dunleavy et al. (2006, 470) point

out that the integrating themes of NPM that have influenced its characteristics are 'disaggregation', where large public sector hierarchies have split into wider, flatter hierarchies, and 'competition', which introduced purchaser/provider separation into public systems to allow multiple forms of provision to create competition. Couplets such as steering rather than rowing, empowering rather than serving, replacing bureaucratic processes with market processes, meeting the needs of customers and not the bureaucracy, earning rather than spending, preventing rather than curing and moving from hierarchy to participation and team work are used to articulate the changes that were taking place from the TPA to the NPM (Frederickson 1996, 264). The NPM led to the creation of leaner and flatter organisations in the public sector. This was achieved either through hiving-off large organisations into smaller autonomous agencies or downsizing organisations to maintain economies of scale and improve organisational effectiveness and efficiency (Pierre 2009). This trend towards 'agencification' (Halligan 2001, 7) was to empower agencies with greater managerial autonomy and flexibility.

The post-NPM ideal type is not settled yet, but most of the new models emphasise collaborative governance as their main characteristic feature. According to Vigoda (2002, 529), collaboration is an 'indispensable part' of democracy and a collaborative process normally includes 'negotiation, participation, cooperation, free and unlimited flow of information, innovation, agreements based on compromises and mutual understanding, and a more equitable distribution and redistribution of power and resources'. The post-competitive systems of public administration broadened the focus of government because of the diffusion of responsibilities and capacities within society (James 2001, 233). It also led to a focus on horizontal coordination by improving inter-organisational coordination and management in order to create a platform where societal actors are engaged to improve policy and public services and to enhance the legitimacy of policy decisions (Klijn 2008). This coordination has also helped to eliminate contradictions and tensions between policies, make better use of resources, enhance cooperation among stakeholders and produce an integrated set of services for citizens (Pollitt 2003).

Citizen–State Relationship and the Role of Public Participation

The citizen–state relationship in the patronage system is that of a servant–master relation where citizens are required to provide services to the state.

The public administration is based on relationships between the patron and the client, which range from those types of relationships that serve the personal interests of the patron to those where the relationships serve mutual interests of the patron as well as the clients. Kaufman (1974, 285, cited in Bearfield 2009, 68) identified three characteristics of patron–client relations: first, the relationship occurred between actors of unequal power and status; second, the relationship was based on the principle of reciprocity; and third, the relationship was particularistic and private, anchored loosely in the public law of community norms. Therefore, based on the type of relationships between the patron and client, offices and posts are established on a needs basis and to best serve personal interests.

Under the TPA, the citizen–state relationship tends to be based on obedience where citizens are under the guidance of a more educated and professional state. Officials under the TPA can be perceived to be heavy-handed when providing services. This is mainly because of the state's ability to concentrate on its clients and because it enjoys a monopoly in the provision of services. There is a lack of competition in terms of services and the public does not have the choice to either accept or reject services. The role of the public is also limited to exercising the right to vote in elections.

NPM emphasises entitlements under the citizen–state relationship from a more market-based view, where the state is seen as a provider and the citizens are the customers receiving products. NPM seeks to create 'quasi-markets' where new organisations are created which distinguish between entities responsible for commissioning or purchasing the services and those that provide the services (Dawson and Dargie 2002, 35). Relationships with customers are governed through limited feedback mechanisms by way of complaints procedures, customer satisfaction surveys and market research (Newman 2002), rather than engaging in face-to-face exchanges of information, ideas and values (Box 1999).

Through collaborative democratic processes, the new models seek to empower citizens and produce policies that are effective in achieving public needs (Denhardt and Denhardt 2000). These collaborative forms of governance sought to create an open and responsive system. Deliberative democracy tends to create platforms to serve in a new public service— for instance, a system that extends beyond management and services to include new forms of state-society linkages with civil society and community participation (UN 2005). And also, a system that 'values citizenship and public service above entrepreneurship' where public interest

is shaped by public officials in partnership with citizens (Denhardt and Denhardt 2000, 557). The role of public participation is deemed crucial and the public are involved in a multifaceted role as customer, citizen and key stakeholder. Under these new models, public managers must manage through networks, be open to learning in different ways and draw in resources from multiple sources (Stoker 2006).

Guiding Principles, Key Attributes and Performance Objectives

The guiding principle of the patronage system is loyalty. The symbiotic and personal relationships of beneficiary–benefactor form the key attributes of the patronage system. For the beneficiaries, it means they get employed, and for the benefactors, appointing people loyal to them means they achieve their political aims. Bearfield (2009, 68) identifies four styles through which patrons pursue their principal goals: (1) organizational patronage, which is used to strengthen or create political organisations; (2) democratic patronage, which seeks to achieve democratic or egalitarian goals; (3) tactical patronage, which uses the distribution of public offices to bridge political divisions or cleavages as a means of achieving political or policy goals; and (4) reform patronage, which emerges when those committed to reforming the existing patronage system themselves engage in the practices as a means of replacing the corrupt political regime that preceded them. The main indicator of performance is longevity in a particular position, whether it is the leader or the official. For the patron, the goals are to consolidate power and increase or maintain their scope of influence; for the client, the goal is to serve loyally towards fulfilling the goals of the patron (Bearfield 2009). There are no other particular standards of measuring performance in place, and all channels of accountability directly lead to a leader or one dominant political party. Rules, if at all present, are also often arbitrary, which could be unjust, particularly to those who are unable to prove their loyalty or unwilling to indulge in personal political games. Financial rewards and other incentives are based on the spoils system and are entirely dependent on the whims of leaders.

A fundamental guiding principle of TPA is the role of rules and manuals that guide the actions and behaviour of staff. It is mainly drawn from the fundamental category of Weber's rational-legal authority where official business is based on continuous rule-bound conduct. These rules, enacted through laws and regulations, are often prescribed

as one-best-way of working in the form of comprehensive manuals, and are generated from the principles of scientific management. Agencies are managed through general rules that officials are expected to know thoroughly. Adherence to rules is a key criterion for determining performance, and the failure to obey rules also results in appropriate penalties (Barzelay and Armajani 1992). Although the system sometimes tends to excessively rely on these rules and regulations (Peters and Savoie 1994), the main intention of such rules and regulations is to introduce principles of uniformity, predictability and equality in the system. Staff are selected and promoted on a merit-based system and they are normally appointed for life. Normally, recruitment is conducted through competitive examinations or through the determination of a set of criteria required of that position. Their posts are often their sole or major occupation (Pollitt and Bouckaert 2004), that is, they are highly professional and do not engage in multitasking activities. A key feature of the performance management system under the TPA is its emphasis on managing inputs. The logic of scientific management, as argued by Light (2006), is to create a single executive with tight control over public officials and who closely watches over expenditure and revenue. According to Meier (1997, 195), bureaucracies perform best when provided with clear goals by politicians, allocated adequate resources and given autonomy to apply their expertise to problems. TPA focuses on processes that are guided by rules and regulations that seek to ensure uniformity and achieve technical efficiency. Performance appraisal rewards normally tend to be based on formal education, merit and tenure. Career paths are structured into hierarchical levels, and promotions are made in accordance with transparent achievement criteria.

A key attribute of the NPM is 'professionalism' of the public sector. This is achieved in multiple ways. One of the means to achieve professionalism is in the way staff are hired and rewarded. Individual agencies are given authority and flexibility to determine recruitment of staff, incentives and appraisals (Dawson and Dargie 2002). Moving away from a tenure appointment, staff are often hired on contract for a certain period or based on the immediate needs of an organisation. This also means that people can be recruited at various levels, often at senior management levels with executives from the private and corporate sectors being hired to introduce business models of management into the public sector. Promotions and other rewards and incentives are also closely tied to performance. Another way to achieve professionalism is to make

organisational structures more flexible so that there is a better flow of information and improvements in both internal and external processes of effective management (Vigoda-Gadot and Meiri 2007). The NPM also witnessed financial managers playing a key role in the practice of public management (Gray and Jenkins 1995). Accounting, budgeting and auditing systems are used to determine resource allocations and there is a greater emphasis on cutting direct costs and parsimony in the use of resources. Financial resources are allocated to agencies based on their performance in delivering outputs. The performance management system in the NPM is different from the TPA. New performance regimes that apply new institutional economics and rational choice of ideas to public services form the 'core part' of NPM (Talbot 2008, 1573). Through tools such as key performance indicators and performance compacts, specific performance measurement strategies are developed. These tools seek to produce better and more desirable outputs in a similar manner to private firms operating and functioning in a market environment (Aberbach and Christensen 2005; Vigoda-Gadot and Meiri 2007). Organisations are encouraged to establish explicit standards and measures of performance and to stress greater emphasis on output controls. Goals and targets are clearly defined and performance indicators are expressed in quantifiable terms (Klijn 2008). Resources and rewards are directly linked to performance and accountability is based on the achievement of results rather than on following standard operational procedures. Such performance-based pay schemes appeal to the logic of market-like mechanisms and seek to increase employee performance and organisational productivity (Llorens and Battaglio 2010). Financial incentives such as merit-based pay and bonuses are a move away from pay based on longevity under the TPA, and reflect the fact that NPM was developed based on specific notions of human behaviour.

The emerging models emphasise the involvement of a wider set of stakeholders in policymaking with the guiding principle focusing on relationships among the stakeholders. Rather than just satisfying the demands of the customer, it is now considered important to build relationships of trust and collaboration with citizens, who are beginning to play an active role in determining policies (Bourgon 2009; Denhardt and Denhardt 2000). These new models acknowledge that the delivery of public services involves multiple interdependent actors and multiple processes (Osborne 2006), spans any or all levels of government and involves groups outside the government (Christensen and Laegreid 2007). A key attribute of the

new models is responsiveness. According to Vigoda (2002, 528), being responsive is critical for politicians, bureaucrats and citizens, and a responsive politician or bureaucrat must be reactive, sympathetic, sensitive and capable of understanding the public's needs and opinions.

Accountability

Under a patronage system, the accountability of senior officials is to the leader or sovereign of the day. The criteria and mechanism to establish accountability depends entirely on the leader or sovereign. As noted in Chap. 2, Stoker (2006) argued for paradigms in public administration based on the three puzzles that each of the paradigms answers. One of the key puzzles relates to accountability. We saw (from Table 4.2) that under TPA, accountability is to elected political leaders who steer and exercise oversight. For NPM, managers are held accountable for achieving targets set by politicians. And under PVM, accountability is addressed by negotiating goal-setting and oversight.

Similarly, Romzek and Dubnick (1987), in their study of accountability in the public sector, point to four types of accountability: bureaucratic, legal, professional and political. The accountability mechanism in the TPA is represented by a 'bureaucratic' accountability system of an organised and legitimate relationship between a superior and subordinate and close supervision of a standard operating procedure. Generally in TPA, accountability of public servants is to politicians. Permanent career public officials implement policies made by politicians anonymously in a neutral, objective, economical and efficient manner (Aberbach and Christensen 2005; Meier 1997; Waldo 1955). Public servants are also expected to provide advice and recommendations based on information, analysis and laws of the land to elected officials (Foster 2001). In return for their objective and neutral services, the anonymity of the public official is maintained.

In the NPM, according to Romzek and Dubnick (1987), accountability systems fit into categories of 'legal' and 'professional'. Legal accountability is based on relationships between controlling parties outside the agency, such as individuals or groups in a position to impose legal sanctions or assert contractual obligations. Professional accountability is characterised by placing control over organisational activities with the employee with the expertise. In this respect, under NPM, agencies aim to imitate the market model by providing efficient services to citizens. Thus, the

accountability of senior officials under such a paradigm is to customers. Accountability is demonstrated by a commitment to measure and report performance (Kelly 2005).

The fourth category of Romzek and Dubnick (1987), that is, 'political accountability', describes the accountability systems of the post-NPM paradigm. The accountability system resembles a representative constituent where potential constituents include the general public, elected officials, agency heads, agency clientele, other special interest groups and future generations. Denhardt and Denhardt (2000, 555) contend that, in the post-NPM paradigm, 'accountability isn't simple', and public officials must also be attentive to statutory and constitutional law, community values, political norms, professional standards and citizen interests. Accountability, in such instances, is ensured through a deliberative process where views and perspectives of citizens are sought during the process of policy formulation.

System of Delivery

The patronage system takes a top-down approach in the delivery of services through duress. Decisions are made solely by an individual or by a small group of people. It is pivotal that the leader maintains and improves communication systems to facilitate transmission of orders and ensure the flow back of resources and information (Gladden 1972). The decisions made, even if they do appear benevolent, often serve or further personal interests. The citizens do not have a voice in making or altering decisions, unless they choose to initiate a revolution against the leader.

In the TPA, the system of delivery is through hierarchical departments or through the process of self-regulation. According to Weber (1978, 218) organisations of bureaucracies follow the principle of hierarchy and each lower office is under the control and supervision of a higher one. Based on the rules that govern the organisation and instructions meted out by superiors, officials are confined to performing specific and specialised functions. Trends in the assignment of roles are generic and predictable (Barzelay and Armajani 1992). For instance, experts such as engineers, law enforcement officials and those involved in social services are assigned to line agencies, and experts in budgeting, accounting, purchasing and personnel are assigned to centralised staff functions. The delivery of services is often performed by lower level frontline staff with instructions from those at higher levels.

In the NPM ideal type, the public sector sheds functions to the private and non-profit sectors, particularly those that could be more effectively provided by competitive markets and where there is a preference for in-house monopoly government provision. In instances where privatisation is not feasible, government enterprises either create corporate entities (Halligan 2001) or facilitate cooperation of public and private organisations (Turner and Hulme 1997). They are also intended to serve as a measure of improving accountability and quality of service (Llorens and Battaglio 2010). A clear distinction is visible in the role of the public sector as a policy formulator versus its role in policy execution and the delivery of services. NPM prescribes the role of public officials to be strengthened as a policy formulator, that is, the steering functions rather than the rowing functions (Lane 2005; McCourt 2002; Osborne and Gaebler 1992). It is felt that the separation of roles would avoid conflicts of interests during implementation, and also at the same time, make it easier to regulate and ensure that other agencies responsible for delivery of services were performing. In turn, agencies are committed to delivering on a set of performance indicators by signing contracts with the government.

An important aspect of the new models of public administration is their emphasis on improving service delivery through a menu of alternatives selected pragmatically. Rhodes et al. (2008, 465) point out that improving service delivery has now become a priority for government policymaking, and argue that this feature represents a departure from the government's role in the twentieth century which focused on playing a regulatory role and creating a welfare state, and later in the NPM-era, to outsourced services.

Layering and Hybridity in Public Administration

Although debate continues whether or not there is a new paradigm of public administration post-NPM, nevertheless, there appears to be increasing consensus (example.g., Bourgon 2009; Brinkerhoff and Brinkerhoff 2002; Capano 2003; Christensen 2003; Rhodes et al. 2008; Olsen 2005; UN 2005) that public administration systems are mostly hybrid in nature. These hybrid systems incorporate features and characteristics of the various paradigms and models of public administration. Administrative systems tend to merge or are superimposed with one another and do not replace one another (Capano 2003). Rhodes et al. (2008, 463) also

point to civil services in Westminster systems that have evolved accord-
ing to a hybrid set of traditions of governance inherited from the politi-
cal and parliamentary realm and learnt through administrative practice.
Similarly, Christensen (2003, 113–114) contends that 'civil service sys-
tems are more specialised than before, both horizontally and vertically',
reflecting the increasing complexity of political-administrative systems
and decision-making processes. Developments such as the increase in the
number and type of actors in the decision-making process have led to new
and hybrid structures based on a combination of differentiated theories of
public administration (Christensen 2003, 113–114). On the other hand,
forces of economic liberalisation, globalisation and democratisation have
also led to reform movements whose 'concepts and prescriptions [lead]
into a common model with economic, administrative and political dimen-
sions' (Brinkerhoff and Brinkerhoff 2002, 512).

To understand the nature of hybridity in public administration,
Drechsler's (2013) concept of 'paradigmettes' is helpful. One such para-
digmette that Drechsler identifies combines aspects of TPA, NPM and
post-NPM concepts. The concept of the paradigmette is an insightful
way to examine the layering and creation of hybrids that takes place in
public administration. Such a paradigmette could offer a new synthesis
of public administration that builds on the 'best' attributes of the para-
digms and models. It has been argued that bureaucratic, market and net-
work organisations are 'different mechanisms for achieving rationality,
accountability and control; mobilizing resources and compliance; and
organizing feedback from society'; and that in modern pluralistic societ-
ies with different conditions, systems are unlikely to be organised based
on a single principle (Olsen 2005, 16). Such combinations of the char-
acteristics of paradigms have been offered as suggestions. For instance,
Klijn and Koppenjan (2012, 599–600) point out that ideas from gov-
ernance network theory offer solutions to the drawbacks of NPM by
reimposing hierarchy and enhancing control, and NPM, on the other
hand, helps to mitigate blind spots in network governance by limiting
the risk of endless deliberation without paying attention to transaction
costs and accountability. Others (such as Lynn 2006 and Terry 2005)
make a case for the importance of rules and regulations of the TPA
paradigm as a stabilising force and to structure conduct in organisations.
As reforms spread, it became apparent that these approaches layer on
each other to adapt to local contexts. To this extent, Gray and Jenkins
(1995, 95) advise: there must be a willingness for earlier paradigms such

as TPA and NPM to adopt the conceptual and methodological frameworks of the new approaches to help 'forge an empirically based range of theories that bring together both public administration and public management'. Otherwise, they warn that it will lead to a public sector that is ill-informed, and where changes will lead to perverse results and disillusionment will continue to increase. In this respect, Bourgon (2009, 11) identifies the hallmark of good government as: respecting the rule of law and democratic institutions; following due process, including fairness, transparency and accountability for the exercise of power and expenditure; and fulfilling an expectation that public servants, in serving the public trust, will exhibit integrity, probity and impartiality. Furthermore, Bourgon (2009) adds that a new synthesis of public administration should, at least, preserve and value:

1. The internal drive for making government more productive, efficient and effective;
2. The attention paid to improving service delivery and the need for continuing improvements in response to the expectations of citizens and to changing circumstances;
3. The focus on sound governance that incorporates other sectors and actors; and
4. The power of modern information and communication technologies that is transforming the role of government, the relationship between government and citizens, and the role of public servants.

Another paradigmette could be one with a combination of Western and Eastern paradigms. Although Drechsler (2013) did not specifically identify this as a paradigmette, it does fit his definition. Here again, Drechsler (2013), offers an insightful perspective on the differences between Western public administration and Eastern public administration from a paradigmatic point of view. As we saw earlier, he identified three paradigms, Western public administration, Chinese public administration and Islamic public administration. In bridging the divide between ideal and reality, he offers a multicultural public administration where 'good' public administration would depend entirely on the culture and context and would be a good alternative to the 'erroneous simplicities' of global-Western public administration (Drechsler 2013, 6). He also suggests another model, contextual public administration, which fits in with Bourgon's new synthesis of public administration, and argues that there is a 'good public adminis-

tration' (Drechsler 2013, 6). This good public administration is to realise the context and circumstances that the public administration system is situated within and to adapt good and well-functioning public administration into this context. In such situations where public administration is adapted to suit the context, Drechsler (2013, 6) argues, there will be a 'small nucleus of well-working public administration that almost always work', the second and larger level will be where 'principles are adapted to the context and thus work', and at a third level 'where solutions work well within a given paradigm but not (necessarily) in any other one'. Such a discussion of a paradigmette based on a combination of Western–Eastern paradigms helps in understanding the ideal versus practice gap. This applies particularly in the case of non-Western nations, where it has been argued that there is a wider gap between ideal and practice. Welch and Wong (1998, 40) contend that this wider gap arises in non-Western countries because 'literature that was designed for the West or for Europe is applied to non-Western nations', creating tensions. This difference also appears when implementing public sector reforms in non-Western nations. In studies related to the transfer of NPM principles to countries in Southeast Asia conducted by Cheung and Scott (2003) and Common (2001), they conclude that there was a fundamental misfit between the logic of NPM, which emphasises the market, and the socio-political realities of Asian countries, where state institutions have a dominant role. Olsen (2005, 16) also argues that adopting reforms based on Anglo-Saxon prescriptions is likely to have 'detrimental' and 'disastrous' consequences, particularly when they are made in shorter time frames and within tight budgetary constraints.

A third useful paradigmette of public administration, particularly for this book, is one that combines aspects of public administration in a developed country and a developing country. In the case of developing countries, the contextual differences within which public sector reforms are implemented are stark, and transfer of public sector reforms from developed countries to developing countries is often fraught with inconsistencies and confusion during implementation. In some developing countries, values such as hierarchy, kinship and communal networks continue to influence the performance of the public sector (Andrews 2008; Cheung and Scott 2003; Klitgaard 1997). In addition, it has been agreed that elite actors in governance systems in developing countries do not encourage reforms since they gain from inefficient administrations (Baker 2004). This paradigmette is a corollary of both of those described

earlier, that is, one that combined aspects of TPA, NPM and post-NPM models and another that combined aspects of Western–Eastern paradigms. The third paradigmette will be particularly useful when discussing the layering and hybridity of Bhutan's public administration, which is situated within the context of a developing country and with a history of an Eastern public administration. The adoption of a more Western public administration system in Bhutan during the 1960s had a dramatic impact on an administrative system that was largely based on a secular institution influenced by Tibetan Buddhism. To add to this complexity, until 2008, the government of Bhutan was based on absolute monarchy with popular monarchs governing the country. There have been specific points since the 1960s when the Bhutanese government has strived towards achieving certain ideal types of public administration that attempt to solve management puzzles. In our discussions on Bhutan's public administration history in Chaps. 4 and 5, we shall see that it was in the late 1980s and the early 2000s when public sector reforms were introduced to address issues of efficiency, accountability and equity. All these developments, which have taken place within a short period of time, have led to a layered or hybrid public administration in Bhutan.

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Bhutan's Approach to Public Administration from Modernisation to the New Millennium

History of Public Administration in Bhutan (Seventeenth–Mid-Twentieth Century)

Bhutan's political history is steeped in a strong cultural influence of Buddhism and is closely interlinked with its religious history, and is also infused in the socio-economic development activities of the nation (Rose 1977). Aris (1994) discerns two critical transitions in the life of the Bhutanese state. The first transition is the foundation of a central government in the seventeenth century by the leader of the *Drukpa Kargyupa* sect of the Tibetan Buddhist School, *Zhabdrung* Nawang Namgyel (b. 1594–1651).[1] He was responsible for unifying the country and bringing to an end the civil strife among the other religious sects prevalent in Bhutan during the period. He was also responsible for creating a diarchal form of government, which separated religious administration from political administration. The second transition came about with the formation of a hereditary monarchy in 1907. Ever since then, the monarchy has played an important role in the Bhutanese polity by maintaining a balance

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[1] The title *Zhabdrung* literally translates to "at whose feet one submits", and *Zhabdrung* Nawang Namgyel was the prince-abbot of Ralung Monastery in Tibet. He was recognised as the reincarnation of the great *Drukpa* scholar Pema Karpo (b.1527–1592), who in turn, was supposed to be the reincarnation of Tsangpa Gyare Yeshe Dorje (b.1161–1211), the founder of the *Drukpa Kargyupa* school (Pommaret 1997a). Due to a problem that arose with the legitimacy of the reincarnation, he was forced to escape from his competitor who was supported by the Tsang *Desi*, the ruler of Tsang province in Tibet.

between tradition and modernity on the one hand, and between religion and secularism on the other (Mathou 2000). The monarchy continues its pivotal role in the contemporary Bhutanese state, and retains the traditional 'sacred' role in Bhutan (Riggs 2006, 926).

*Establishment of the Diarchal (*Choe-Sid*) System*

Upon *Zhabdrung* Nawang Namgyel's arrival in the country from Tibet in 1616, with a group of loyal supporters mostly based in western Bhutan, he set out to consolidate the nation, which until that point in time was largely fragmented. Pockets of regions were being ruled by numerous dominant personalities or their supporters from the various Buddhist sects prevailing in the country.[2] There is little information that can be gleaned relating to local administration prior to the 1600s and there is no systematic account of the organisation of government in Bhutan (Aris 1994; Pommaret 1997a). However, by the 1640s, government took a definitive form in Bhutan when the *choe-sid* system was established. This diarchal system of governance separated the spiritual (*choe*) from the political (*sid*), and under this system, the *Zhabdrung* remained the head of state. The *je khenpo* (chief-abbot) was head of the religious administration and the *desi* was head of the civil administration. The main role of the *je khenpo* was to ensure religious teachings and to manage the monk body, and the *desi* was responsible for the management of the properties and wealth of the monk body. During this period, religious affairs had a dominant influence in all state-related matters. The appointments of the two key positions, made personally by the *Zhabdrung* from among his loyal followers, were both given to monks—Pekar Jugne (1604–1672) as the first *je khenpo* and Tenzin Drugye (1591–1656) as the first *desi*. The *Zhabdrung* had two important officials with him, the *zimpon* (chamberlain) to manage the *Zhabdrung's* personal affairs, and the *solpon* (chief of meals). The other important officials during the *Zhabdrung's* rule were the *dronyer* (chief of protocol), who also functioned as the chief justice, and the *kalyon* (minister), who passed on the orders of the *Zhabdrung* to the other officials.

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[2] In western Bhutan the predominant sects were the *Lhapa Kagyupa* sect, the *Drukpa Kargyupa*, *Nyingmapas* and the *Nenyingpas*, *Barawas*, the *Chagzampas* and the *Sakyapas*. In central and eastern Bhutan, the dominant religious sect was the *Nyingmapas,* followed by the *Drukpa Kargyupa*.

The *choe-sid* system promulgated by *Zhabdrung* Nawang Namgyel continued throughout the next two centuries, albeit in varying forms, particularly as we draw towards the end of the nineteenth century. The rule of the first four *desis* (from 1651 to 1680) saw the consolidation of the nation and expansion of the state. These first four *desis* also initiated various nation-building activities such as strengthening administration, building and enlarging *dzongs* (large fortresses) and establishing links with other countries (Pommaret 1997a). An important development of the *choe-sid* system was the establishment of the *lhengye tshok* (State Council). The *lhengye tshok* was responsible for the appointments of the *desi*. They also assisted the *desi* in the governance of the country, and the *desi* was accountable to the *lhengye tshok*. Another important development was the division of the country into three broad geographic regions—Trongsa, Paro and Dagana—each of which was headed by *penlops* (governors). The *penlops* were responsible for the levy of taxes, administration of justice and security in areas that fell under their jurisdiction. In addition to the *penlops*, there were also *dzongpons* (lords of the fort), and there were three prominent *dzongpons*—Punakha, Thimphu and Wangduephodrang. The *dzongpons* had almost the same authority as the *penlops* and had jurisdiction over areas that fell under a particular *dzong*. From around the mid-eighteenth to the mid-nineteenth century, the *lhengye tshok* constituted the three *dzongpons* of Punakha, Thimphu and Wangduephodrang, the *zimpon* of the *desi* and the *kalyon*. Sometimes, the three *penlops* of Paro, Dagana and Trongsa would also attend the *lhengye tshok*, and in such circumstances, the *lhengye tshok* would be called the *chenlah* (Rennie 1866). The other prominent positions prevalent in the system during this period were the red scarf officials (*nyikem*) which included the *nyerchen* (store master), *zimpon* and *dronyer* of each *dzong* (see Ardussi and Ura (2000, 41–42) for a detailed list of other middle and lower level positions and functionaries).

To gain insight into how the administration worked under the *choe-sid* system, we can examine the intricacies of the taxation system during this period. Ardussi and Ura (2000), in a study on the investiture ceremony of the enthronement of *Zhabdrung* Jigme Dragpa I (b.1725–1761) as religious head of state in 1747 which was sponsored by *Desi* Sherab Wangchuk (r.1744–1763), tally the gifts provided to each of the guests participating in the ceremony. Among others, a total of 1149 ministers, officials and their servants were counted, based on which Ardussi and Ura (2000) note that, for that period and compared to the first half of the twentieth century, it seemed a fairly large proportion to the population. There were

approximately 140 tax-paying sub-districts, and each of these reported through the regional *dzong* they fell under before reporting to the central government, thereby creating an additional layer of administration.

Weakening of the Choe-Sid *System and Establishment of the Monarchy*

Towards the end of the nineteenth century, the authority of the *desi* weakened considerably, thereby rendering the *choe-sid* system ineffective. This phenomenon was observed by various British missions to Bhutan made during the period. For instance, in 1773, George Boyle reported that the central government still exercised control over the *penlops*; however, by 1839, during R.B. Pemberton's mission to Bhutan, the *desi* had lost considerable authority from the *penlops*, particularly the Paro and Trongsa *penlops* (Rose 1977). Rennie (1866) also makes a similar observation and notes that the *desis* possessed no real power and that the Paro and Trongsa *penlops* were, in effect, functioning with greater autonomy and authority. There are many reasons attributed to the weakening of the dual system. On the religious side, the influence of the monastic body had diminished, which inevitably led to political decentralisation (Rose 1977). Furthermore, the inability to find reincarnations of the *Zhabrdung* also led to a lack of leadership, and the candidates who were identified were more interested in religious affairs (Pommaret 1997a). Understandably, the country was plagued by internal struggles and strife, and gradually the *penlop* of Trongsa, Jigme Namgyel (b.1825–1881), who was also the father of the first king of Bhutan, emerged as the dominant political leader in Bhutan. Irrespective of the eventual weakening of the *choe-sid* system, the diarchal system created by *Zhabdrung* served as the foundation for the religious and politico-administrative system that continues to survive with only slight modifications in recent systems. The principle of 'tripartite participation' among the people's representatives, administration and the monk community is still prevalent in Bhutan (Mathou 2000, 237). Many of the processes, systems and institutions established by *Zhabdrung* have played an important part in establishing and forming Bhutan's identity (Pain 2004) and its unclear administrative system. On the politico-economic side, the *choe-sid* system was exhibiting weaknesses especially in terms of the administrative system. There was a loss of central authority which could be attributed to a decline in the generation of revenue (Pain 2004). The main reason for this was the ceding of the fertile southern

plains to the British in the late nineteenth century. Nevertheless, the need for a strong central authority resulted in the creation of a monarchy.

At the dawn of the twentieth century, the then Trongsa *penlop* Ugyen Wangchuck (r. 1907–1926) was installed as the first king of Bhutan on December 17, 1907. The decision to establish the monarchy was genuinely popular both with officials and the public (Aris 1994). One of the main reasons for the establishment of the monarchy was the need for a centralising authority to consolidate the diarchal system, which was fragmented towards the end of the nineteenth century. The presence of a central authority through the establishment of a monarchy was strongly supported by the British, who had a strong presence in India and were seeking to establish trade routes through the help of Ugyen Wangchuck (Rahul 1997). The impact of the regime change was more noticeable to the officials than to the public (Rose 1977). For the public, the unification of the country under a single ruler meant that they did not have to provide military services, but the taxes and services they had to provide to regional officials did not change significantly. For the officials, however, it was a significant change and the establishment of a monarchy meant that political and administrative authority was now centralised and regional officials were under the direct supervision and control of the monarchs. The establishment of the monarchy is an important point in Bhutan's modern history. During the reigns of the first two monarchs of Bhutan, considerable time and effort were spent towards the unification and consolidation of the country. The public administrative system was very small and operated from the palace (Rose 1977). Usually four key officials assisted the monarch: the *kalyon*, *dronyer*, *zimpon* and either the Thimphu or Punakha *dzongpon*. There were approximately 200 people based in the palace during the reign of the second king (Pommaret 1997b). The system of having regional *dzongs* and centres continued, and during the reigns of the first two kings, the country was divided into 11 districts headed by *dzongpons*. As representatives of the king in the districts, the *dzongpons* were responsible for all facets of administration, law and order and justice within their jurisdiction.

Main Characteristics of the Choe-Sid *and the Early Monarchical Public Administration Systems*

Both the *choe-sid* system and the early monarchical public administration system exhibited traits of the patronage system. While it can be argued that the characteristics of the *choe-sid* system made them part of the 'non-

Western' public administration paradigms identified by Drechsler (2013), and discussed in Chap. 3, that is, belonging to either Islamic public administration or Eastern public administration, this book does not attempt to pursue an argument along that pathway. Rather, the book examines the *choe-sid* system as a patronage system that helps in providing historical perspective and context to the 'modern' public administration in Bhutan. One of the main characteristics of the patronage system exhibited by both the *choe-sid* and monarchical systems was the presence of a spoils system whose key attribute was loyalty to the ruler or sovereign. With the *choe-sid* system, the appointments of senior positions during the time of *Zhabdrung* Nawang Namgyel were mainly made from the monastic community. This system continued to evolve over time, with both laity and monks appointed, even for positions such as *desis*. By the nineteenth century, most of the appointments to *desis* were filled by lay officials (Rose 1977). The pool from which *penlops* were appointed was mostly soldiers rising up through the ranks and occupying positions such as *zimpons* or *dronyers* before becoming *penlops* (Rennie 1886). The first group of *desis* was directly appointed by *Zhabdrung* Nawang Namgyel, and the *lhengye tshok* was responsible for appointing subsequent *desis*. However, towards the end of the nineteenth century, the *desis* were dependent on support from regional *penlops* and *dzongpons* who were increasingly becoming more powerful and influential. Appointments to other positions in the *choe-sid* system were mostly based on personal relationships and preference was given to close relatives and followers, and the practice was observed even during *Zhabdrung* Nawang Namgyel's rule (Aris 1994). There also appears to have been a linear pattern of promotion, where district officials moved on to occupy positions in central areas. It was mostly forceful local leaders who were able to make such movements in positions (Ura 2004). *Zhabdrung* Nawang Namgyel also introduced a set of laws. These laws organised the relationship between the state and the people along Buddhist lines (Pommaret 1997a) and encouraged the inculcation of religious knowledge into institutions (White 1909). These laws of the *Zhabrdung* formed the basis of all spiritual and temporal laws of Bhutan, and continue to serve as the foundation of the contemporary Bhutanese legal system.

Under the monarchical system, the administration during this period was relatively simple in terms of its structure and operations. Powers were normally vested with the monarch and the central government was strictly controlled by him. The influence of the monastic body, regional officials and other elite families diminished considerably during the rule of the

second king, Jigme Wangchuck (r. 1926–1952) (Rose 1977; Pommaret 1997b). Reforms were initiated that sought to centralise the administrative system by setting up direct lines of authority and control, and all officials were directly accountable to the king. Appointments were also made by the king, including the appointment of the *Je Khenpo*. The king considerably reduced the positions of *penlops* and *dzongpons* by directly appointing their key officials such as *zimpons* and *dronyers*. Gradually, the positions of *penlops* and *dzongpons* were abolished by not appointing a replacement upon the incumbent's death, and even if the positions were kept, the monarch appointed family members or his close associates. Although the first two monarchs centralised authority, Ura (2004, 4) states that centralisation is only 'partially true'. He argues that centralisation occurred only in certain areas such as taxation, labour services, foreign and defence policies, and in all other respects, it was decentralised. Rose (1977) agrees that except for supervision of officials' activities in the districts, there was little function for the central administration. Pain (2004, 181) surmises that the 'limited revenue' did not allow for a central authority to establish itself. Officials were paid in kind according to their ranks and their tenure was permanent until their death or they fell out of favour with the monarch. Officials were either members of the royal family or those who were brought into the palace when they were young from non-elite families and who worked their way up the ranks by providing service and loyalty to the monarch. Reflecting a patronage-based model, appointments for posts were mainly based on loyalty to the monarchs and familial relations were important considerations in appointments (Rahul 1997).

The other characteristics of the patronage system that both the *choe-sid* and the monarchical systems shared were in the role of public participation. In both cases, the role of the public was to provide services and the citizen–state relationship was perceived to be that of a servant–master. It was during the time of the *Zhabdrung* that Bhutan went to war with Tibet on a number of occasions. On account of the wars, the *Zhabdrung* initiated the construction of *dzongs* that served as military bastions and were also the seats of religious and political power. The construction of 13 *dzongs* illustrates the *Zhabdrung*'s leadership skills and was also indicative of the state formation process in the seventeenth century (Pain 2004). Subsequently, the role of *dzongs* has had great significance in Bhutan's public administration. They have been the locus of all politico-administrative, social and religious activities throughout Bhutan's history since the seventeenth century. Most of the *dzongkhags* (or administrative districts) in Bhutan even

today continue to centre their administrative jurisdiction and populace around the *dzongs*. Another administrative aspect related to the construction of the *dzongs* was the need for resources and labour to construct the massive structures. People were expected to contribute compulsory labour towards the building and maintenance of the dzongs (Pommaret 1997a). Resources, for other state purposes in addition to the construction of the *dzongs*, came through the payment of in-kind taxes. However, the system of taxes was prevalent before the time of the *Zhabdrung*, in the form of many localised systems (Ardussi and Ura 2000).

In the era of a new monarchy, the primary function of the central palace-based administration was the collection of taxes, which were still collected in kind and through labour services. Through a meticulous system of record-keeping maintained by the *nyerchen*, which the king oversaw personally, greater control and authority was exerted by the monarch. The second king, Jigme Wangchuck, also initiated some taxation reforms that attempted to put in place an equitable taxation system. The number of government officials was also substantially reduced, thereby reducing the tax burden because officials were expensive to maintain. The first attempt to build the local capacity of the Bhutanese people was made by sending a group of young Bhutanese students to India to receive a Western-style education in 1914. Simultaneously, schools based on Western education systems were started around the same time in central and western Bhutan. From this pool of students who were able to complete their schooling, a few were sent for additional vocational training in the fields of teaching, forestry, medicine, veterinary science, agriculture and mining (Aris 1994). Upon completion of their training, they came back and served the government as one of the first group of professionally trained civil servants.

'Modern' Public Administration (1960s–1990s)

In addition to the two transitions in the life of the Bhutanese state, identified earlier as the foundation of a central government in the seventeenth century by *Zhabdrung* Nawang Namgyel and the formation of a hereditary monarchy in 1907, two further transitions post-1907 can be identified. The third transition was the introduction of planned economic development in the country in the late 1950s and early 1960s. This coincided with the reign of the third king of Bhutan, Jigme Dorji Wangchuck, who is also called the 'Father of Modern Bhutan'. Widespread socio-economic development in the country required the set-up of organisational institu-

tions and mechanisms to manage the change from a subsistence and barter economy to a monetised economy. Investments in education, health and infrastructure required both human and technological developments. The fourth critical transition was when the fourth king of Bhutan, Jigme Singye Wangchuck, voluntarily devolved his executive powers in 1998, and introduced parliamentary democracy in 2008. Bhutan is now a democratic constitutional monarchy with an elected cabinet and parliament functioning as the executive and the legislature respectively, and the king's role is now limited to that of head of state.

The next section examines Bhutan's public administration system during the period when political and economic development were initiated in the 1960s, leading to the introduction of a Westernised, and therefore 'modern', form of public administration. The 1960s through to the 1990s saw the Bhutanese public administration seek to establish an ideal type along the lines of the traditional public administration paradigm.

Introduction of Planned Socio-Economic Development

The 1950s and 1960s marked an important transition in Bhutan in terms of its political and economic development. It was during this time that major events were unfolding in Bhutan's immediate neighbouring countries. To the south, India had gained its independence in 1947, and was in the process of building and consolidating itself as a nation. To the north, Tibet was taken over by China in the late 1950s. Tension between China and India was aggravated, sparking a brief war in 1962. These events were to affect Bhutan's polity, both directly and indirectly, forcing Bhutan to forge political relations with India, and thereby slowly opening itself to the outside world. Against this backdrop, Bhutan, under the reign of the third king Jigme Dorji Wangchuck (r. 1952–1972), initiated economic and political changes. The inception of planned economic development in 1961 brought about social and economic changes in the country. Plans were made with a five-year period horizon and as the plans progressed, the outlay for each plan increased substantially.[3] In the absence of a vibrant private sector and civil society organisations, it was up to the Bhutanese civil service to initiate and implement developmental activities. The gov-

[3] The First Five-year Plan (1961–1966) had a total budget outlay of Ngultrum 174.7 million, and in the Tenth Five-Year Plan (2008–2013), the total budget was Nu.143.6 billion (figures acquired from the Gross National Happiness Commission website, www.gnhc.bt).

ernment had to build its capacity to manage the increasing and specialised workload. The 1970s and 1980s also saw a spurt in economic activities with the government making substantial investments in industries and hydropower developments. It was also around this time that the government recognised the role of the private sector in enhancing economic growth (Labh 1994).

The period after the 1950s and towards the end of the twentieth century witnessed considerable decentralisation and devolution of power by the monarchs to other government institutions as well as to the people, thus marking one of the first visible shifts from a patronage system. The third king introduced systematic structural changes. In 1953, he established the National Assembly responsible for enacting laws and deliberating on national issues. This was followed by the creation of the Royal Advisory Council in 1965 and a separate judiciary in 1968.[4] These bodies were established to separate powers and create a system of checks and balances. The fourth king, Jigme Singye Wangchuck (r. 1972–2006) continued reforms along the lines of the third king, and initiated a series of political devolution and administrative decentralisation programmes aimed at encouraging people to participate in the planning and implementation of development activities. In 1981, the *dzongkhag yargay tshogchungs* (DYT) in all the *dzongkhags* were established to involve the people in the formulation of development programmes and to participate in decision-making processes (Zimba 1996). The decentralisation was taken a step further in 1991 with the establishment of the *gewog yargye tshogchung* (GYT) Committees in every *gewog*[5] (block) in the country.

There were two main drivers for public sector reforms during this period. The first driver was economic in nature, and during this time, the initiation of planned economic development and the upscaling of the structural changes and the decentralisation processes required the set-up of an administrative system that was capable of dealing with these changes. In 1961, the Development Wing of the government, headed by a secretary-general, was established to coordinate plans and distribute funds. It also functioned as the central organisation keeping check of

[4] The history of the Royal Advisory Council, although it was introduced formally in the mid-1960s as an advisory body to the king, can be traced back to the State Council (*lhengye tshok*) created by the *Zhabdrung* (Mathou 1999).

[5] The regional administrative set-up is *dzongkhag* (district) divided into *gewog* (block) and which is further subdivided into *chiwog* (village). Some larger *dzongkhags* have *dungkhags* (subdistricts).

expenditures and other developmental activities of departments. During the first five-year plan (1961–1966), the administrative system had to be reorganised and geared to the increased demand of these new developments (Verma 1988), and directorates for agriculture, animal husbandry, education and health were established. However, there was not a total shift away from the patronage system, and the regular administrative system continued to function directly out of the palace during the initial formative years of the planned economic development. There were three key officials under the command of the king—the representative in the Royal Bhutanese Army, the *gyaldon* (Royal Chief Secretary) and the *gyaltse* (Royal Finance Secretary). The *gyaltse* functioned as the finance minister responsible for all financial matters and the *gyaldon* functioned as the home minister supervising the activities of the central and district administrations.

The second driver was political in nature, and it was in 1968, when the third king in consultation with the National Assembly approved the formation of the Council of Ministers, that a major change in the administrative system occurred. The role of the palace was substantially affected and all administrative matters were handled by the Council of Ministers. Initially, three ministers were appointed to the Council: Finance, Home Affairs and Trade, and Commerce and Industry ministers; and in 1973, the Foreign Minister and three other deputy ministers were included. In 1974, the Council of Ministers was expanded to form the Coordination Committee with additional members, which included the secretary-general and secretary of the Development Ministry, the secretaries of the Trade and Industry and Communication ministries, one representative from the *lodoe tshogde* (Royal Advisory Council) and two Indian advisers on economic affairs, and the king also attended some sessions. The regional administration also underwent changes. Two subdivisions in southern Bhutan were created in the early 1960s and 13 *dzongkhags* in northern Bhutan. The increase in the number of *dzongkhags* was to facilitate the implementation of development programmes (Rose 1977). By 1974, there were 15 *dzongkhags* (Rathore 1974) and the number of *dzongkhags* presently stands at 20, which is further subdivided into 205 *gewogs*.

The first step towards introducing characteristics of the traditional public administration (TPA) in Bhutan's public administration was the drafting of the civil service rules in 1972 under the instructions of the Council of Ministers. These rules set out to establish uniform service conditions for all agencies of the government and set standards for employment and pro-

motions of officials. This initiative marked a major shift in responsibility for the palace because previously, it was the palace that possessed ultimate authority for the appointment and promotion of all officials (Rose 1977). The Manpower Department was also created in 1973 as the central personnel agency to coordinate and manage all human resource management and development in the government. The public administrative system in the early 1970s placed the minister as the highest-ranking civil servant. Ministers functioned as chief executives of ministries or agencies, and each was responsible for the formulation and implementation of policies and programmes in his organisation. In 1973, there were four ministries,[6] and each ministry included a number of departments headed by secretaries or assistant secretaries. To keep up with the pace of economic development, the nation required complex and sophisticated systems with appropriate people to deliver the ambitious programmes and activities. In the absence of local capacity, Indian advisors and personnel were deputed by the Government of India to strengthen and manage the administrative system. While a significant contribution to the evolution of the Bhutanese public administrative system into its modern forms was made by India, Rose (1977) notes that the Indians faced problems in terms of not being able to speak the local language and not knowing anything about the culture, values and challenges of the country. Concerted efforts were being made towards building local capacity. Continuous streams of Bhutanese were educated in schools in India and in newly built schools in Bhutan, and pursued further education and technical training in India and other countries.

In a typical Weberian bureaucratic manner, the civil service rules of 1972 attempted to 'depersonalize' appointment and promotion procedures and have the 'palace share responsibility' with other political institutions (Rose 1977, 218). In continuation of the policies of the first two kings, the monarchy ensured that appointments were made from various social and ethnic backgrounds. According to Mathou (2000), this policy had provided a breed of qualified and experienced bureaucracy which was exposed to the Western education system. In order to minimise the influence of patronage and personal systems of appointments and promotions, rules were applied uniformly and strictly to all civil servants. A step-wise career progression chart based on a grading system within each of the cad-

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[6] The four ministries were: (i) Finance; (ii) Home Affairs; (iii) Trade, Commerce and Industry; and (iv) Foreign Affairs.

res was also chalked out. Again, this represented TPA characteristics where the bureaucracy was represented by a hierarchical set of positions that also established clear command and control mechanisms. It must be said at this point that while the public administrative system evolved to match political and economic developments taking place in the country, the prevailing model of the Indian administrative system in the 1970s influenced the Bhutanese public administration system and processes. The main channel of influence was through the appointments of Indian personnel on deputation from the Government of India to help the Bhutanese government fill human resource gaps (Rathore 1974; Verma 1988; Mehrotra 1996). Over a period of time, the Bhutanese government sought to replace the Indians with Bhutanese nationals through systematic capacity-building initiatives.

Introduction of the Cadre System

To respond to changing needs and to adapt to the diversified environment in the administrative system, a Royal Charter established the Royal Civil Service Commission (RCSC) in 1982 as a central personnel administration system. The establishment of the RCSC and the set of policies that followed in Bhutan's public administration reinforced the characteristics of the TPA paradigms. To this effect, the RCSC's role was to build a personnel administration based on 'principles of experience, qualification and merit' (RCSC 1982, 3). It sought to promote efficiency and effectiveness in the civil service and to motivate and promote morale, loyalty and integrity among civil servants by ensuring uniformity of personnel actions in the civil service (RCSC 1982). The Royal Charter (RCSC 1982, 11) also kept provisions for the design of a system that would 'classify positions' and allow 'cadrisation' of the civil service. In 1986, the fourth king, Jigme Singye Wangchuck, commanded the introduction of a 'proper hierarchy of officers' and instituted a promotion system that would assess 'capability', 'results' and 'allegiance' (Nishimizu 2008, 56). Subsequently in 1990, the cadre system was introduced to minimise disparities in entry-level grades and career advancement opportunities. The cadre system incorporated the TPA principle of impartiality and sought to provide parity in entry-level grades within different professions. It grouped all positions in the civil service into seven cadres that represented a relatively homogeneous group of occupations and positions: judiciary, scientific and technical, teaching, administrative, scientific and technical support, administrative support and technicians and operators. It also created a rational grading system by cat-

Table 4.1 Seniority-based promotions under the Cadre System

Grades promotions from/to	Minimum number of years required to serve							
	AC	TC-1	TC-2	JC	SC	SSC	ASC	TOC
2–1	PV + 7			PV + 7	PV + 7			
3–2	PV + 7		8	PV + 7	PV + 7			
4–3	PV + 7		7	PV + 7	PV + 7			
5–4	6	7	6	6	6			
6–5	5	6	5	5	5			
7–6	4	6	4	4	4	8	8	
8–7	4	5	4	4	4	7	7	
9–8		5				6	6	
10–9		4				5	5	
11–10						5	5	7
12–11						5	5	6
13–12							5	5
14–13							4	4
15–14							4	4
16–15							4	4
17–16							4	4

Source: Circular Number RCSC/S-4/99/16 dated 31 December 1999, Royal Civil Service Commission

PV Post Vacancy, *AC* Administrative Cadre, *JC* Judiciary Cadre, *SC* Scientific and Technical Cadre, *ASC* Administrative Support Cadre, *TC1* Teaching Cadre with PTTC and B.Ed. qualification and Diploma, *TC2* Teaching Cadre with PGCE qualification and Lecturers, *SSC* Scientific and Technical Support Cadre, *TOC* Technician and Operators Cadre

egorising all positions into 17 grades, delineating a clear career progression path, and therefore facilitating fair promotions in various professions (refer to Table 4.1).

While the main features of the cadre system will be deliberated upon in the following section, where I map the characteristics of the cadre system onto the ideal type framework from Chap. 3, Table 4.1 presents the circular issued by the RCSC in 1999 which shows the seven different cadres against the 17 grades (where Grade 1 represented senior-most civil servants), and the number of years one had to serve in a particular grade before being promoted to the next grade. It is also pertinent to mention here that by the time the position classification system (PCS) was adopted in 2006, the number of ministries had increased to ten.[7]

[7] The ten ministries were: (i) Home and Cultural Affairs; (ii) Agriculture; (iii) Trade and Industries; (iv) Foreign Affairs; (v) Labour and Human Resources; (vi) Works and Human Settlement; (vii) Information and Communications; (viii) Health; (ix) Education; and (x) Finance.

The Characteristics of the Bhutanese Administrative System Prior to 2006

This section maps the Bhutanese public administration system that was in existence prior to 2006 against the framework showing ideal types in public administration from the Chap. 3 (refer to Table 3.1). This mapping is represented in Table 4.2 with the italicised cells indicating presence of a feature in the Bhutanese public administration. At a glance, two key observations can be gleaned from Table 4.2. The first observation is that Bhutan's public administration from the 1960s through to 2005 had traits mostly belonging to the TPA paradigm, which is indicated by the italicised cells in Table 4.2. The cadre system, which was predominant from 1990 to 2005 in Bhutanese public administration, was introduced in large parts to overcome weaknesses of the patronage system and also to establish a system in the first place. The cadre system, as we briefly saw in the earlier section and as we shall see more of when we examine each of the characteristics, exhibits traits of the TPA paradigm.

A second observation is that Bhutan's public administration is layered and combines characteristics of more than one ideal type. This observation recalls the discussions in Chap. 3 on the ideal versus reality debate, and that in reality, public administration systems comprise 'paradigmettes' that are hybrids with characteristics of one particular type of paradigm layered over another. In Bhutan's case, in the pre-2006 period, public administration was a paradigmette that combined aspects of the patronage system with TPA. Bhutan's case also presents an opportunity to discuss some of the reasons why such layering occurs in public administration. Perhaps in Bhutan's context, it is best explained by its political context and as a society that is in transition. Prior to 2008, before the introduction of democracy, the political system in Bhutan was an absolute monarchy. The process to democracy was initiated in 1999 when the fourth king, Jigme Singye Wangchuck, through a royal edict, gave up his executive powers to the Coordination Committee of the Council of Ministers (CCM). Though this may be perceived as a form of revitalisation of the CCM prevalent in the 1970s, the CCM post-1998 exercised greater executive authority. The ministers were nominated for specific posts by the fourth king from among the existing ministers, deputy ministers and senior government officials, and their candidature had to be approved or rejected by the parliament. They were voted in for a term of five years before facing a vote of confidence by a simple majority of the parliament. A prime minister

Table 4.2 Fitting the Bhutanese administrative system pre-2006 within the ideal types of public administration

	Patronage	Traditional public administration	New public management	Emerging trends
Characterisation	Spoils System	*Bureaucratic*	Post-Bureaucratic, Competitive Government	Post-Competitive, Collaborative Governance
Citizen–state relationship	Servant–Master	*Obedience*	Entitlement	Empowerment
Accountability of senior officials	*Ruler/Sovereign*	*Politicians*	Customers	Citizens and stakeholders
Dominant focus/guiding principles	*Loyalty*	*Rules*	Results	Relationships
Key attributes	Personal relationships	*Impartiality*	Professionalism	Responsiveness
Preferred system of delivery	Duress/Forcibly	*Hierarchical departments or self-regulating profession*	Private sector or tightly defined arms-length public agency	Menu of alternatives selected pragmatically
Performance objectives	Satisfying the needs of the ruler/sovereign	*Managing inputs*	Managing inputs and outputs	Multiple objectives including service, outputs, satisfaction, outcomes
Role of public participation	*Provide services*	Limited to voting in elections	Limited—apart from customer satisfaction surveys	Crucial—multifaceted (customer, citizen, key stakeholder)

Author's own compilation

was appointed from among the members of the CCM on a rotation basis for a period of one year. Before the introduction of the PCS in 2006, the public administration served a government that was monarchical as well as having certain features of democracy, thus leading to a situation where the public administration in Bhutan combined characteristics of the patronage system as well as the TPA. Such combinations were visible in the accountability of senior officials who were answerable to both the monarch and the politicians, and also in the guiding principle which was based both on loyalty to the monarch and the rules prescribed by the RCSC. We shall examine each of the characteristics of the ideal type of public administration prior to 2006 in more detail.

Characterisation

Bhutan's public administration during the time of the cadre system fitted the description of Weber's ideal type of bureaucracy. As pointed out earlier in Bhutan were grouped into seven cadres, which in turn, were delineated into 17 grades providing a 'clear career line, hierarchy, limits, scopes and bounds for each profession, thereby providing prospects for rise within the respective cadre' (RCSC 1990, 13). Seniority, based on fulfilling the minimum number of years in a particular grade (refer to Table 4.1 for the specific number of years that was required for each grade), was one of the main considerations for promotion (RCSC 1990). Decision-making and reporting structures in the Bhutanese civil service were deemed to have been top-down and hierarchical (Ura 2004; Wangchuk 2004). In terms of recruitment policy, when the public administration was expanding during the 1970s, almost anyone who had completed high school and tertiary education was recruited directly into the civil service. The executives in the office were empowered to recruit personnel at the middle and lower rungs, and senior positions were still appointed through the command of the king. With the cadre system, entry into the civil service was centralised with the RCSC conducting examinations to select people into different levels of positions. Once selected, candidates were normally appointed on tenure unless the civil servant violated prescribed rules and regulations, which is a key characteristic of TPA.

Dominant Focus/Guiding Principles and Key Attributes

A guiding principle in the Bhutanese civil service was (and continues to be) loyalty to serve the *Tsawa Sum* (the three main elements, embodying country, king and people). The Code of Conduct in the Civil Service

Rules of 1990 (CSR 1990) mentions on numerous occasions the importance of service to the *Tsawa Sum*. For instance, clause 1 states that civil servants should strive to 'maintain the highest standards of integrity, truthfulness, fortitude, selflessness, loyalty and patriotism' and to 'maintain professional excellence in the service of *Tsawa Sum*', and clause 6 prescribes abstinence from indulging in any activities that are prejudicial to the *Tsawa Sum* (RCSC 1990, 11). Another guiding principle, which strongly reflected the nature of TPA in this setting, was the emphasis on following rules and regulations prescribed for the Bhutanese civil service. The first set of civil service rules drafted in 1972 marked a major shift in responsibility for the palace because previously, it was the palace that possessed ultimate authority for the appointment and promotion of all officials (Rose 1977). These rules set out to establish impartial and uniform service conditions for all agencies of the government and set standards for employment and promotions of officials. A more comprehensive and extensive set of Civil Service Rules (CSR) was adopted in 1990 with the introduction of the cadre system. CSR of 1990 specified the rules and regulations of the personnel functions of the civil service, such as transfers, promotions, training, remuneration, benefits and leave. There was also a section explicitly outlining the code of conduct that civil servants were expected to abide by in the performance of their duties. These stringent operational rules also strictly guided civil servants and procedures, and all civil servants were expected to abide by these regulations. In typical TPA fashion, where the role of the Weberian bureaucracy is to maintain records and file, CSR 1990 had a separate chapter dedicated to office, files and records management. Its policy was to standardise filing and documentation systems in order to 'expedite decision-making' and 'maintain office secrecy' (RCSC 1990, 119).

Citizen–State Relationship, the Role of Public Participation and the Preferred System of Delivery

The characteristics of the Bhutanese civil service prior to 2006 pertaining to the citizen–state relationship and the role of public participation tended to belong to both the patronage system and the TPA paradigm. The public were expected to be obedient to the state, which was perceived to be 'vanguardist' and 'paternalistic', and assumed that it knew what was best for the public (Wangchuk 2004, 847). Part of the reason for such an attitude can be attributed to the fact that the livelihoods of

the public depended on the public sector, and thus the public did not have any incentives to challenge public order (Sinpeng 2007). The preferred system of delivery of public services in Bhutan was through the hierarchical government machinery, which comprised numerous ministries and autonomous agencies that were divided into specific departments, divisions, sections and units. As a part of the patronage system, the role of public participation was limited to co-production of services. Up until the mid-1990s, the public were required to provide compulsory labour services (*gungda woola*) for developmental activities. Provision of compulsory labour services was replaced by the *zhapto lemi* system through the *Zhapto Lemi Chathrim* (Act) in 1996, which was identified as a means of ensuring people's participation in the form of a self-help system. Under the *zhapto lemi* system, free labour was to be provided by the people and the government would provide infrastructure materials and resources. For example, in the construction of schools in a village, the people would provide labour services and the government would provide the materials for the school's construction and resources to operate the school. Since the 1980s and 1990s, there have been significant efforts to create institutional mechanisms to promote a grassroots participatory polity (Mathou 2000). And in a survey conducted by Rinzin et al. (2007), the authors observed that people were eager to be involved in the development process and that their level of awareness of decentralised governance was quite impressive. However, the people also felt that decisions were still made by the central government and they did not have much of a say in making local decisions.

Accountability of Senior Officials

For mid-senior and junior level civil servants under the cadre system, accountability rested with the executive of the agency. Either the secretary or the minister had authority over all human resource aspects of civil servants in the agency. Those at the senior level, however, were accountable to the king. This authority was enforced through appointments and promotions. In a case of classic bureaucracy, promotions until Grade 3, which is equivalent to the level of a director, were normally based on serving a certain number of years in a particular grade and promotions were almost automatic. For positions higher than Grade 3, which usually included posts at Director-General, joint secretary and secretary levels, approval had to be accorded by the king (RCSC 1990). Although the king had

given up considerable powers to the CCM in 1998 with the devolution of executive powers of the monarchy, the reform itself did not translate into major changes or upheavals in other political institutions and the administrative system. The monarchy remained at the centre of Bhutanese politics (Mathou 1999), and the CCM constantly sought the king's guidance until its eventual dissolution in 2008.

Performance Objectives

Prior to the implementation of the cadre system, there was a lack of a formal mechanism to measure and reward individual performance in the Bhutanese civil service. Performance in the past was rewarded with promotions based on patronage rather than rules. A performance evaluation system was instituted through the cadre system to enable a fair career advancement system and to promote merit, talent, productivity and morale among civil servants (RCSC 1990, 79). The performance evaluation system reflected a TPA system that sought to create a clearer understanding of organisational goals and objectives and to identify performance targets and achievements. In line with the characteristics of the TPA paradigm, the emphasis of performance objectives was on managing inputs towards achieving set targets. As we shall observe in the following section, when the performance management system of the cadre system is contrasted with the PCS, performance ratings are based on inputs. Factors such as attitude to work, initiative, decision-making ability, planning skills, knowledge of work, communication skills, supervisory ability, coordination capability and interpersonal relations are rated rather than outputs.

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The Position Classification System and Bhutan's Public Administration in a New Era of Governance

THE POSITION CLASSIFICATION SYSTEM

In 1998, the fourth king of Bhutan devolved his executive powers to a Coordination Committee of the Council of Ministers (CCM) elected by the parliament. In this climate of sweeping political changes, the CCM initiated a major government restructuring exercise in 1999, the main aim of which was to ensure good governance. A task force with members across the civil service was instituted to strengthen the structures and functions of Bhutanese public administration with overall objectives of achieving good governance, efficiency, accountability and transparency (RGOB 1999). In the document *Enhancing Good Governance: Promoting Efficiency, Transparency and Accountability for Gross National Happiness*, a report published as a fruition of the Good Governance exercise, the Prime Minister (RGOB 1999, i–ii) stated,

> All the activities were aimed at fulfilling His Majesty's own priority: that of making the civil service responsive to the interests and needs of the people … [And] having focussed on the future we are building a strong foundation for enlightened governance in the twenty-first century. Effective and efficient civil service, dynamic private sector, active peoples' participation and a stable government are some of our hopes and aspirations for the new millennium.

The good governance reforms were a part of broader public sector reforms occurring in other parts of the world. Good governance was the goal of development policy in the mid-1990s and donor agencies moved beyond economic development to stress the importance of government institutions (Goldfinch et al. 2013). The good governance exercise, as a policy initiative, had major impact on the public administrative system in Bhutan and brought to the fore issues faced by traditional public administration such as bureaucratisation and politics–administration relationships. The exercise recommended that a secretary be appointed in each ministry, and their main role should be to ensure continuity in policies and programmes since ministers were elected for a certain period. The Good Governance exercise also recommended a series of administrative restructuring strategies, which were implemented. For instance, the ministries had to do away with other layers within ministries such as 'circle' and 'wings' (RGOB 1999, 16). A generic structure for a ministry was proposed, and each ministry had to be divided into departments and each department into divisions. The ministries were also required to set up administration and finance divisions and policy and planning divisions.

A major recommendation of the Good Governance exercise was the implementation of the Position Classification System (PCS). Just as the intention of a new paradigm was to address some of the main weaknesses of the earlier paradigm and also to provide solutions for new problems that emerged, the PCS also had two main purposes. The first purpose was to address some of the inherent weaknesses of the cadre system. The cadre system was introduced to organise the civil service and set up a professional group of civil servants. The administrative system prior to the cadre system was *ad hoc* and agencies had authority to recruit and promote people within their organisation. This system was subject to misuse and there were instances where people were granted three to four promotions at a time (R5).[1] Over the years, however, the cadre system proved to have its limitations. Perhaps the greatest disadvantage of the cadre system was that positions did not have comprehensive descriptions of expected roles and responsibilities, thereby leading to a lack of clarity in meting out personnel and human resource

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[1] All interview respondents are indicated as "R" (see methodology section of Chap. 6 and Appendix I for more).

actions. As a senior manager in the Bhutanese civil service pointed out, the major limitation imposed by the lack of position descriptions was a lack of 'clarity in terms of complexity of the job [and] knowledge that you require to do that sort of a job' (R17). Personalities of individual managers made a difference when it came to assigning responsibilities to staff, and therefore there was an air of uncertainty and a lack of uniformity. An additional disadvantage of the cadre system brought on by inadequate job descriptions was ineffective planning for the purposes of training and development in the civil service (RCSC 2005b). The cadre system also did not facilitate a fair and equitable change in cadres. The civil servants in the Scientific cadre would be seven to eight years ahead of their colleagues in the Administrative cadre once they reached Grade 3, which was considered equivalent to the post of a director. Similarly, civil servants in the Administrative support cadre could not progress to Grade 5 even if they were able to enhance their performance as well as their qualifications.[2]

The second purpose of the PCS was to solve new problems that the cadre system was unable to address. The Good Governance document reported that the cadre system had served its purpose of building professionalism in the system and that it was leading to discrepancies in meting out human resource actions and causing stagnation in the cadres (RGOB 1999). The document also pointed out that the 'job' rather than the 'grade' should be linked to financial incentives, and that the promotion system needed to be revised to reinforce merit and make accurate assessments of the performance of civil servants. The absence of job descriptions also made it challenging to identify the competencies and skills required of a certain position. This, in turn, affected the identification of performance indicators and targets that an individual had to achieve, and thereby rendered the performance evaluation system ineffective. Promotions were awarded upon completion of a number of years of service in a certain position. Against this setting, the RCSC Secretariat was given the mandate to work on a system based on position classification to replace the cadre system. Work on the PCS commenced in the year 2000. Over the course of the next five years, extensive effort went towards the formulation and conceptualisation of the PCS.

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[2] It must, however, be noted that the differentiated entry grades of the cadre system was to attract doctors, engineers and other professionals.

Formulation of the PCS

This section examines the formulation of the PCS from two main aspects: first, what were the ideal types that the PCS sought to achieve? And second, what were some of the modalities through which these ideal types were incorporated in the PCS? The ideal type that the PCS initially sought to achieve was to improve on the bureaucratic nature of Bhutan's public administration through a comprehensive classification system with specific job descriptions for each position. Although work on the PCS commenced on a major scale on the recommendations of the good governance exercise, the basis for the PCS reforms as a classification system were laid out much earlier in the Royal Charter of the RCSC of 1982. The Royal Charter (1982, 9) specified the development of a 'civil services classification and grading' system. Subsequently in 1989, the cadre system was introduced mainly to minimise disparities of the patronage system prevalent where authority to determine entry-level grades and career advancement opportunities rested with senior management in agencies. In terms of the modality of how the job description and classification system was introduced, following the introduction of the cadre system, the services of an expert hired by the United Nations Development Program (UNDP), who was from the USA, were utilised to start work on formalising jobs in the early part of the 1990s. A committee was formed with representatives from the RCSC and the Royal Institute of Management[3] to work with agencies in describing the responsibilities of positions in their respective organisations. Although position descriptions were collected by the RCSC, an official who was involved during this early period of the job description exercise noted that the job descriptions were not utilised for policy purposes (R14). However, an important output that was to have an impact on the PCS was the development of the factor evaluation system based on the US General Public Administration's factor evaluation system. As a follow-up to the work done by the consultant, three officials from the RCSC travelled to the USA in 1995 for about a month to meet with the consultant and visit relevant agencies. While the officials were in the

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[3] The Royal Institute of Management is the only management institute in the country providing management courses at the postgraduate level. It provides training for new inductees into the Bhutanese civil service. The Institute also conducts executive training programmes and provides expertise in public policy-related issues for the government. Together with the RCSC, the Royal Institute of Management was a key focal point during the formulation of the PCS.

USA they also met with officials in the Office of Personnel Management and attended workshops on designing position descriptions and testing the factor evaluation system. An official who was part of this delegation pointed out that when they returned from the US study visit, a new secretary had been appointed to the RCSC who did not want to initiate any new reforms at that stage and was more focused on consolidating the cadre system initiated in 1990 (R17). Furthermore, as a senior manager who served in the RCSC during those years also stated, the then RCSC also wanted an assessment to be conducted of the issues of the cadre system before moving on to the PCS (R3).

The momentum to work on the position descriptions again picked up through the recommendations of the good governance exercise in 1999. Work on formulating the PCS started towards the second half of the year 2000 and continued until December 2005. In the formulation of the PCS, the actor that played an influential role was the RCSC Secretariat, which was identified as the agency responsible for coordinating and implementing the entire reform initiative. The RCSC was responsible for setting up a team within its Secretariat and a wider network of committees to work on various aspects of PCS with representatives based on individual capacities from the civil service. The ministries and other autonomous agencies were instructed to identify focal persons as representatives of their agencies for the PCS. In the role of coordinator, the RCSC Secretariat was responsible for securing and managing funds from international donors specifically for the PCS formulation—first, through a UNDP capacity development project, and later, through a DANIDA (Danish Government)[4] project on good governance themes. The RCSC was also responsible for recruiting and coordinating international consultants hired through donor-assisted projects and international volunteers through the Voluntary Services Abroad (New Zealand) programme. Considerable influence from international advisors and consultants was evident during the formulation of the PCS. Officials involved in the PCS conceptualisation and formulation had academic backgrounds from institutes in the USA, Australia, Canada and the UK. Officials involved in the formulation of the PCS pointed out that study visits were undertaken to look at systems in other countries

[4] The Danish Government is one of the main partners which support Bhutan's good governance initiatives. As a part of their funding programme in Bhutan, the RCSC received financial and technical support for the formulation of the PCS.

such as Singapore, Australia, New Zealand, the Philippines and Thailand (R2; R3; R11; R17; R21).

From a single purpose of achieving the ideal type of classifying and defining job descriptions, the PCS, in the years 2003 and 2004, gained momentum and there was a realisation that comprehensive reforms in the civil service were required. It was with this realisation that the CCM directed the RCSC to take a holistic approach to reform. In other words, the PCS sought to achieve numerous ideal types that belonged to not only the TPA paradigm but also the new public management (NPM) paradigm. As an official who was involved in the formulation of the PCS noted, it then took the shape of a larger reform than 'just classifying positions' (R11), and to achieve this bigger objective, five subcommittees to the PCS were formed: the Performance Management Committee responsible for designing performance management policies and mechanisms; the Job Description Committee responsible for compiling, refining and adjusting positions in the PCS position directory; the Recruitment and Selection Committee responsible for designing policies, regulations and mechanisms for recruitment and promotions in the civil service; the Remuneration and Benefits Committee responsible for designing and recommending policies pertaining to salary, performance benefits and other remuneration; and the HRD Committee responsible for designing training and development policies and activities. Later on, two more committees were added: the Rules Committee responsible for integrating the PCS into the Bhutan Civil Service Rules and Regulations; and the Media Committee responsible for coordinating all media-related issues of the PCS reform initiative. Members of these committees were from mixed backgrounds and fields, depending on the focus of the committees. All committees were chaired by a Commissioner from the RCSC and the division heads of the RCSC Secretariat were the member-secretaries to the committees. The findings and recommendations of the committees were integrated to produce the final PCS policy document that was approved by the CCM for implementation.

The international consultants and advisors were constant actors in the formulation of the PCS. Right from its conceptualisation in the early 1990s, they played an important role in the way the PCS was shaped and framed seeing it through to its implementation. An official involved in the PCS acknowledged the contributions made by each of the consultants and advisors: each of them 'gave perspective, different context and raised flags in the proposal' (R 11). In the year 2000, when the PCS was

reinvigorated, the UNDP provided initial financial resources and expertise. A consultant with public sector experience from the Philippines was recruited to develop a framework for the PCS and to identify broad occupational groups for a directory of positions. An Indian, who was an ex-employee of the RCSC, was also recruited as a local consultant to assist the international consultant during the initial stages. The two consultants worked for a period of two to three years on the classification of positions and the job descriptions. Around the same time, a consultancy firm from India was hired to work on a Human Resource Officers' Manual. The manual was developed after a consultative training program, with focal persons of the PCS as participants, sought to incorporate aspects of the PCS. Then in 2003, the RCSC requested expertise to help in the formulation of the PCS through Volunteer Service Abroad (VSA) of New Zealand. An official involved in coordinating the volunteer programme in Bhutan's civil service stated that the VSA had a visible presence in Bhutan for more than a decade and the option to have volunteers from VSA seemed appealing because they came almost free, and there were resource constraints (R21). In Bhutan, all volunteers are coordinated by the RCSC. Generally appointed for a period of a year, there were two successive advisors from VSA who helped in the PCS.[5] The official coordinating the volunteer programme stated that although neither of the advisors had specific expertise in the area of PCS, they were 'able to understand the situation and local needs' (R21). The first VSA advisor had worked in the public sector in New Zealand and he contributed significantly to the PCS by harmonising various committees of the PCS with the overall objectives of the PCS. The second volunteer had experience in the private and corporate sectors and her contributions were in operationalising the PCS through the development of the PCS Manual. An official involved in the formulation of the PCS acknowledged that the introduction of the concept of open competition for positions as a main component of the PCS was attributable to an international volunteer (R17). The international volunteer also played an instrumental role in providing training to Human Resources (HR) officers in agencies on the Performance Management System and worked on the PCS Manual. In 2004, there was also a technical advisor from the Philippines funded under the auspices of the Colombo Plan Staff College for Technician

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[5] A third volunteer was recruited by the RCSC in 2006 but he did not play a significant role in the PCS *per se*.

Education based in Manila, Philippines. The technical advisor conducted training to provide capacity-building for senior managers on the performance appraisal system. Officials involved in the training stated that as an outcome of the training program three frameworks for performance appraisal systems were developed which were submitted to the RCSC, and which were later adopted as a part of the Performance Management System component of the PCS (R3; R11). Officials involved in the PCS conceptualisation and formulation had academic backgrounds from institutes in the USA, Australia, Canada and the UK.

In 2005, the 'Good Governance Plus' exercise was conducted. The objectives of this exercise were to follow through on the recommendations of the Good Governance exercise of 1999 and for the system to review and adapt to the impending political changes in 2008. Some of the key points in the report of the Good Governance Plus exercise (RGOB 2005, 28), pertaining to the civil service, were calling for a 'New Public Service' that exists to serve the public and nurture a Gross National Happiness (GNH) state, and the introduction of the PCS to operationalise the 'New Public Service'. The Good Governance Plus exercise also set the foundations for the government to conduct periodic organisational development exercises to enhance productivity and improve delivery of services. The PCS was approved to be implemented at the end of December 2005, and claimed to be a 'New Civil Service Order' which would be dynamic and responsive to the needs of the people (RCSC 2005a, 5). It also claimed to be 'an internationally recognised system' based on performance and professionalism in the civil service (RCSC 2005a, 8). The PCS represented a major tranche of public sector reforms, particularly in the areas of public sector performance evaluation and management and in recruitment, selection and promotion systems.

Components of the PCS

In official documents, the PCS was described as a 'process of grouping together positions that are sufficiently alike with respect to duties and responsibilities so they can be treated the same way for the purposes of all human resource actions' (RCSC 2005b, 2). The PCS sought to promote 'good governance' by 'enhancing accountability, efficiency and professionalism in the civil service by linking individual performance to organisational goals and objectives' (RCSC 2005a, 2). While the overall objective

of the PCS was to promote good governance, the specific objectives of the PCS as stated in the Position Classification System Policy Document (RCSC 2005a) were to: (i) enhance professionalism by placing the right person in the right position by matching qualifications to requirements; (ii) encourage a merit-based system by depending less on seniority as a criterion and linking individual performance to promotions and rewards; (iii) pursue efficiency through the effective use of financial and human resources; (iv) establish a fair and equal system through the principle of equal pay for equal value of work; and finally (v) pursue accountability by outlining roles and responsibilities and making people accountable for their actions.

This section draws on Hall's (1993) concept of paradigms in public policymaking to explain the components of the PCS. As explained in Chap. 3, there are three orders of change: The first- and second-order changes are identified as 'normal policymaking' and third-order change as 'paradigm-shift' policy. As explained in Chap. 3, 'normal policymaking' involves incremental changes that do not affect the terms of a policy paradigm, and a 'paradigm-shift' policy marks a radical change normally involving a change from one paradigm to another. This section categorises the components of PCS reforms within these two types of policymaking. In the category of normal policymaking reforms are: (i) classification of position and occupational groups, (ii) recruitment, selection and promotion systems, and (iii) human resource development. In the category of paradigm-shift reforms are: (i) performance management systems and (ii) remuneration and benefits.

Table 5.1 shows the objectives of the PCS, which reflect the ideals that the PCS sought to achieve through the components of the PCS. The objectives of the PCS were to enhance professionalism, encourage a merit-based system, pursue efficiency, establish a fair and equal system, and pursue accountability. To achieve these objectives, the PCS put in place the classification and occupational groups component, recruitment, selection and promotion component, human resource development component, performance management component and the remuneration and benefit component. Each of these components have been categorised by the characteristics of the paradigm or model of public administration that they fit within and by the typology of policymaking.

Table 5.1 Objectives and aspects of the PCS

Objectives of the PCS	Main components of the PCS	Paradigm/model of public administration	Type of policy
Enhance professionalism by placing right person for right position by matching qualification to its requirement	Recruitment, Selection and Promotion and Human Resource Development	TPA	Normal policymaking
Encourage merit-based system by depending less on seniority as a criterion and linking individual performance to promotion and rewards	Performance Management System	NPM	Paradigm-shift policy
Pursue efficiency through the effective use of financial and human resource	Remuneration and Benefit	NPM	Paradigm-shift policy
Establish a fair and equal system through the principle of equal pay for equal value of work	Classification of Positions and Occupational Groups	TPA	Normal policymaking
Pursue accountability by outlining roles and responsibilities and making people accountable for their actions	Classification of Positions and Occupational Groups and Recruitment Selection and Promotion	TPA	Normal policymaking

Author's own compilation

Normal Policymaking

Classification of Positions and Occupational Groups
One of the limitations of the cadre system was that with civil servants acquiring new qualifications, it became increasingly challenging to place them within the seven cadres. Qualifications in disciplines such as environmental management, agricultural economics, media studies and journalism belonged to both the scientific and the administrative cadres. The PCS, through the introduction of major occupational groups, expanded the number of occupational groupings to 19 (refer to Table 5.2 for the list

Table 5.2   Major occupational groups

1	Agricultural and Animal Husbandry Services Group
2	Architectural and Engineering Services Group
3	Arts, Culture and Literary Services Group
4	Education and Training Services Group
5	Executive Services Group
6	Finance and Audit Services Group
7	Foreign Services Group
8	Forestry and Environment Protection Services Group
9	General Administration and Support Services Group
10	Human Resource Development and Management Services Group
11	Information Communication and Technology Services Group
12	Laboratory and Technical Services Group
13	Legal and Judicial Services Group
14	Library, Archives and Museum Services Group
15	Medical Services Group
16	Planning and Research Services Group
17	Sports and Youth Services Group
18	Trade, Industry and Tourism Services Group
19	Transportation and Aviation Services Group

Author's own compilation

of major occupational groups). These occupational groups have approximately 70 subgroups and over 500 specific positions (RCSC 2005a).

Under the PCS each of these positions had a job description and was assigned a position level based on factors such as knowledge (qualifications and experience), complexity of work, and scope and effect of work, among others. In the cadre system, while each position was assigned to a particular grade, positions did not have a specific job description. To address this problem, the PCS grouped together positions that were sufficiently alike with respect to duties and responsibilities so they could be classified and treated uniformly for all human resource actions (RCSC 2005a). It was also expected that these job descriptions and specific requirements would aid in the selection of the 'right person for the right job' and serve as an effective tool in determining equitable compensation. Similarly, the PCS would be based on the principle of 'equal pay for equal value of work' where each position would be evaluated using a standard job evaluation process.

Each of the positions classified under the PCS was divided into four broad position categories: executives/specialists (EX/ES), professional/management (P), supervisory/support (S) and operations (O). The

EX/ES category were those civil servants who had professional mastery either of management or technical expertise over all other categories. To be in the ES category, a civil servant required a minimum of a master's degree and for the EX category, a minimum of a bachelor's degree was required. The P category included those positions that focused primarily on determining tactical level issues and decisions with appropriate consideration of the EX/ES, and implementing decisions determined by the EX/ES category of civil servants. The P category civil servants also supervised and conducted performance appraisals of civil servants in the S and O categories. The scope of work of the P category goes beyond day-to-day activities and provides input to major policy issues and decisions (RCSC 2005a). The S category positions are responsible for scheduling and assigning of daily work and implementing day-to-day decisions. Roles of civil servants in this category may include public contact, responding to enquiries and routing them to appropriate people. The O category of positions include those whose duties are routine and repetitive. They may also include public contact and other routine tasks such as typing and use of computers and other office equipment to input information and prepare reports.

The classification of positions and occupational grouping component of the PCS was an incremental change to the cadre system. As an official responsible in the formulation of the PCS commented:

> The PCS is like the cadre system … Under the cadre system, there were 17 levels, and even in the present system there are 17 levels. So it is only different name (R2).

The PCS continued with the bureaucratic and hierarchical nature of the cadre system. In fact, the civil service was made more comprehensive by increasing the seven cadres under the cadre system to 19 major occupational groups within four broad position categories under the PCS. Each of the four position categories have their own hierarchical levels with clear career pathways. To jump from one category to another, a civil servant had to fulfil the minimum qualification requirement. For instance, to move from professional/management into the specialist category, a civil servant had to possess at the minimum a master's degree certificate. However, to join the professional/management category, one would have to sit for the recruitment examinations, which is a key feature of bureaucracy, conducted by the RCSC, which was the same as the cadre system.

Recruitment, Selection and Promotion

Another important component of the PCS was the recruitment, selection and promotion system. Under this component, the PCS sought to appoint the right person for the right job through a competitive, transparent and fair selection system. It also sought to attract and retain qualified and competent civil servants, and provide equal opportunities for selection to vacant positions in the civil service. Some of the key features of the recruitment, selection and promotion component of the PCS were the development of recruitment and planning processes, rural posting criteria and provision for a fast-track promotion system.

In the appointment and promotion of senior officials, the PCS differed significantly from the cadre system in that final approval did not have to go to the king. The commissioners of the RCSC had final authority to appoint and promote senior officials in the Bhutanese civil service. The PCS also facilitated decentralisation of authority from the RCSC Secretariat to agencies to appoint new recruits in the operations category, with provisions to allow further authority to appoint new recruits in the supervisory and support categories (RCSC 2005a). Authority to promote existing civil servants to fill vacant positions within the operations, supervisory and support categories and some positions in the professional/management category was also devolved from the RCSC Secretariat to the agencies. In the cadre system, authority to appoint and promote were vested with the RCSC Secretariat only. Another key feature of the recruitment, selection and promotion component of the PCS was that it delegated the authority to recruit, select and appoint new employees into the O and S categories in the civil service to agencies. And for vacant positions in the P category, the authority to appoint in-service officials was delegated to agencies, except for P1 and P2 positions. Previously, the entire authority to recruit, select and appoint was vested with the RCSC Secretariat.

The recruitment, selection and promotion system was only an incremental change to the cadre system. It did not involve a paradigm change as the recruitment process was still based on the TPA paradigm where appointments were made through a centralised system that involved sitting for a common recruitment examination. Appointments were still tenure-based, and not on a contract basis such as the appointment system under the NPM paradigm.

Human Resource Development

The human resource development (HRD) component sought to invest in human capital to meet the demands of Bhutan's civil service (RCSC 2005b). The HRD strategy ensured that training and development activities were tied to the provision of the right skills, knowledge and qualifications of the civil servants. The HRD component of the PCS also sought to provide opportunities to upgrade civil servants' qualifications and enhance their capacities for career progression. Some of the key features are providing continuing education facilities, promoting in-country training institutes, providing an HRD funding scheme and establishing good monitoring and evaluation systems.

The PCS also sought to legitimise ongoing training and development reforms, such as the delegation of training of duration shorter than nine months to agencies; the human resource development component sought to provide civil servants the opportunity to upgrade their qualifications so they were able to enhance their careers.

Paradigm-Shift Reforms

Performance Management

The performance management system formed an integral part of the PCS. Its objectives were to promote a civil service in Bhutan based on 'principles of transparency, efficiency, fairness, accountability, meritocracy and professionalism' (RCSC 2005a 16). It was identified as a critical factor to determine various human resource actions such as appointments, transfers, promotion and remunerations. Performance appraisal under the performance management system sought to foster performance through continuous and objective performance planning, monitoring, reviewing and recognition, and by aligning employee performance to organisational goals (RCSC 2005b). It was expected that the performance management system would help employees and managers better understand goals and targets, and also provide an objective basis for the comparison and measurement of achievements against goals.

The performance management system of the PCS represented a paradigm shift from a TPA-based performance objective to an NPM one. It transformed the performance objective of Bhutan's public administration from only managing inputs to managing both inputs and outputs. As one of the officials involved in the formulation stated:

PCS is supposed to be based on pay for performance. Unless we came up with a good performance system the whole system is going to be defeated. So that is why performance committee was given lot of importance. And in 2006, the new performance appraisal came in where it focuses more on the output. And the whole way of measuring the performance earlier if we look at the first cadre system and evaluation we had so many factors but these are factors not really completely based on output. For example, general trait like communication skills, qualification, expertise, planning ability but not tied to the specific position. Then in 2006 at least it became output-based (R3).

Under the cadre system the main emphasis of performance management was on attributes such as: attitude to work, initiative, decision-making ability, planning skills, knowledge of work, communication skills, supervisory ability, coordination capability and interpersonal relationships (RCSC 1990). With the PCS, the performance management system focuses on outputs. The performance management system of the PCS has two forms for each employee to complete: the work planning and review form and the summative review form. The work planning and review form is to be used by the employee and the supervisor to determine six-monthly targets and identify six relevant core competencies required to achieve those targets. These targets are to be prepared every six months based on the organisational strategy and annual work plans. At the end of the six months, the manager and employee review the performance outputs and record remarks regarding each of the expected performance outputs (RCSC 2005b). The summative review forms are to be used to evaluate the performance of the employee by reviewing performance factors and core competencies. Performance factors are to be rated in relation to performance outputs as outlined in the work planning and review forms by assigning a score of 1 (improvement needed), 2 (good), 3 (very good) or 4 (outstanding). Core competencies are also rated on a scale of 1–4. In the final rating, the average score of the performance factors is given a 60 % weighting and the average score of the core competencies is given a 40 % weighting.

Remuneration and Benefits

Another component of the PCS that represented a paradigm shift was the remuneration and benefits scheme. In addition to the performance management system, the remuneration and benefits component of the

PCS also signalled an important transformation from a public administration with TPA characteristics to one with NPM characteristics. The main objective of this component was to reward civil servants for their performance through strategies designed to attract, retain and motivate them. It was agreed that this would align with the key doctrines of NPM where resource allocation and rewards are linked to performance and where the stress is on discipline and parsimony in the use of resources through cost-cutting measures. Some of the key features of the remuneration and benefits component of the PCS that sought to reward performance and motivate civil servants to perform better were strategies such as a 'performance bonus' which was to be paid annually to those civil servants based on their performance. The performance bonus is one of the key features of NPM's performance pay.

Other forms of remuneration were also recommended to attract civil servants to positions that were either difficult to fill ('scarcity allowance'), or located in remote areas ('isolation allowance'). Allowances were also recommended for situations where an official was acting on behalf of a position with a vacant post ('officiating allowance'), and if civil servants were required to undertake overtime work ('overtime payments'). Another key feature of the remuneration and benefits component was the right-sizing of the government which was to be undertaken on a continuous basis through an early retirement scheme. Under this scheme, it was proposed that those civil servants who had five years or less until retirement would be provided additional financial benefits if they chose to retire. There was also provision for a special early retirement scheme under which those who did not perform as expected could be asked to resign.

Approval and Implementation of the PCS

A variety of actors and institutions influence the decision-making process in the field of public administration. The actors range from institutions that possess legal authority, such as legislative committees, executive cabinet, judiciary courts, state and local governments to individuals and other institutions such as interest groups, the public, contractors and the media (Knott and Hammond 2003). In making these decisions, these actors and institutions have to make certain choices. According to Kooiman and Jentoft (2009, 827–828) choices can be either 'easy', 'moderate' or 'hard', which they argue is governed by some value. So *easy* choices are when values are comparable, commensurable and com-

patible; *moderate* choices are a mix of comparable and commensurable values; and *hard* choices are when values are incomparable, incommensurable and incompatible. Thus when determining how the approval for the PCS was accorded, it will help to assess the actors and the processes in the decision-making. The other consideration will be to examine the choices made by the decision-makers in arriving at the final version of the PCS.

Based on the work done by the PCS subcommittees, international advisors/consultants and the PCS focal persons, recommendations were submitted through the RCSC Secretariat to the Commission. In the years 2000–2005, numerous submissions were made to the Commission, whose membership changed in 2003. The earlier membership included the cabinet ministers (who were also members of the CCM) and a few other senior officials based on the positions they held. In 2003, the membership did not include any ministers, but senior civil servants based on their individual capacity rather than their positions. Beyond these two executive organs, the PCS also went through the Committee of Secretaries (a committee which included all secretaries to the ministries including the secretaries of the RCSC and the Cabinet Secretariat). After numerous reviews by the Commissioners of the RCSC, and towards the end of 2005, a comprehensive presentation was made to the CCM, which was chaired by the prime minister. Each of the recommendations of the PCS subcommittees was presented, and the CCM approved the PCS for implementation in January 2006.

Of the five components of the PCS that were submitted to the CCM, fourwere approved: the Classification of Position and Occupational Groups; Performance Management System; Recruitment, Selection and Promotion System; and Human Resource Development. There were strong reservations about the component on the Remuneration and Benefits aspect of the PCS, which was eventually dropped from the components of the PCS. This was a major setback to the PCS as it contained an important aspect of tying increases in salary to the performance of an individual. Whether the components of the PCS were either approved or rejected based on them being *easy*, *moderate* or *hard* choices were not clear at this stage to all the actors involved in the decision-making process. It is only in a retrospective study which will be discussed in the sections following that some aspects of the reform were found to be easy and moderate choices whereas some were hard choices. Whether or not this was considered an easy or hard choice, the Ministry of Finance vetoed the

Remuneration and Benefits system based on potential increases in the cost of the civil service.

Various strategies were inaugurated to manage the introduction and implementation of the PCS. One of the first strategies put in place was the institution of HR sections/divisions in agencies. The importance of HR in making the PCS work was acknowledged and a group of HR officers was created. As an official involved in the formulation and coordination of the PCS pointed out, the first strategy of the RCSC was to build the capacity of HR officers in agencies (R1). Another official involved in the formulation of the PCS noted that initially there were some reservations to the creation of the HR officers by agencies as they were perceived by some to be an 'extension of the RCSC into the agencies' (R17). The creation of divisions within agencies to specifically manage all HR-related issues, however, facilitated in decentralising numerous HR functions from the RCSC to the agencies. Such decentralisation of functions from the RCSC to the agencies mirrored broader NPM devolution tendencies. The HR divisions in each agency provided technical support to an HR Committee which normally comprised the secretary of the ministry or the head of an autonomous agency, and directors of departments within the agency. In some cases, chiefs of the Policy and Planning Division and other divisions were also included. Prior to the PCS the agencies only had the authority to recruit the two lowest positions in the system, that is, drivers and messengers, into agencies. With the PCS, numerous HR functions were delegated to the agencies. For example, in the area of recruitment, agencies were able to recruit to the supervisory level (S) provided there were vacancies. In the area of promotions, authority to grant all promotions initially rested only with the RCSC. The PCS delegated promotions firstly to P3 and then to P1 levels for all regular promotions.

A comprehensive job-mapping exercise was undertaken immediately upon the approval of the PCS to transfer people from the cadre system to the PCS. For successful implementation of the PCS, it was important that the transition from the cadre system to the new system was smooth. Towards this end, the job-mapping exercise was one of the key change management strategies adopted. Some discussions took place as to whether or not a pilot of the PCS should be tried in an agency, but this did not materialise. The job-mapping exercise was initiated immediately upon the approval of the PCS, and the Human Resource Management Division of the RCSC Secretariat was given a mandate to carry out this exercise. An official from the RCSC responsible for overseeing the entire exercise

commented that, 'Job-mapping was one of the major challenges for the RCSC and it was a staggered process that took almost two years to complete' (R7). The premise for the entire exercise, as an official involved in the formulation of the PCS noted, was 'not to rock the boat', an instruction that came from the highest levels of decision-makers (R1). The strategy adopted in the job-mapping was twofold. On the one hand, a majority of civil servants were assigned positions and appropriate position levels based on their grades in the cadre system. On the other hand, some people were assigned position levels based on their responsibilities. To avoid discrepancy between the two strategies, those in the latter category were assigned position sublevels identified by A, B, C, D, E and F. These sublevels were to be collapsed once people moved up within the sublevels. If such strategies had not been adopted and if the PCS principle of equal pay for equal value of work had been honoured, an official involved with the reforms pointed out that 'about 7000 people would have benefited overnight', which would have been 'real rocking of the boat' (R1).

Finally, there have been constant adaptations and modifications to the PCS through a range of initiatives. A year after the implementation of the PCS, a fine-tuning exercise to the PCS was conducted by the RCSC Secretariat. In a two-day workshop, various representatives of agencies participated to determine some key concerns with the implementation of the PCS, such as stagnation and coordination issues. Numerous recommendations made during this exercise were incorporated into the main PCS policy. For example, as an official noted, one such policy change was in making exceptions for qualification requirements for some major occupational groups (R1).

Democracy and Recent Governance Reforms in Bhutan

A major governance reform to influence the public administrative system of Bhutan was the first democratic elections in March 2008. Bhutan's successful transition to democracy, which is largely attributable to the leadership of the fourth king, Jigme Singye Wangchuck (Turner et al. 2011), put at the helm of the government Bhutan's first democratically elected government. The introduction of democracy in Bhutan changed the nature of its public administration, particularly the role of public participation and the citizen–state relationship. From the role of providing

services as a part of the patronage system the new era of governance has transformed the role of the public to taking part in elections, which is a feature of TPA. From within a citizen–state relationship where the public were required to be obedient parties, a trait of the TPA paradigm, there is likely to be a change in Bhutanese public administration when the public begin to feel empowered with democracy. The Constitution of Bhutan also seeks to draw a clear line between politics and public administration in the newly formed democratic state of Bhutan. Article 26 prescribes an independent and apolitical civil service. The separate relationship is also ensured through the appointment of secretaries, who are now considered the senior-most civil servants; they are first nominated by the RCSC and then through the recommendation of the prime minister are appointed by the King.

Following the adoption of PCS, the government initiated the Organisational Development (OD) exercise in 2007. The main purpose of the OD exercise, according to official documentation, was to ensure that the civil service was able to deliver services efficiently and in a way that would satisfy the needs of the people (Dorji and Schreven 2007). The exercise involved all agencies of the government and set out to review their mandates and capacity to improve performance and service delivery. As one of the final outcomes of the OD exercise the agencies were supposed to draw up their organisational structure with staffing numbers and plans. However, following the OD exercise, the government did not approve the recommendations. There were various reasons for the failure of the OD report to be approved, and O'Flynn and Blackman (2009) point out a few plausible explanations. Doubts remained over the intentions of the OD exercise as to whether it was intended to bring about changes in the delivery of services or whether it was a strategy to reduce the size of the civil service. Despite the OD final report not getting approval for implementation, the exercise recognised the importance of improving service delivery. The OD exercise encouraged the civil service to start thinking of the public as customers who have a say in the way services are provided, rather than as silent recipients of services the government provided. Agencies, as a requirement of the OD, were required to undertake customer satisfaction surveys and use them as inputs while determining their overall mission and values (Dorji and Schreven 2007). Another recent initiative taken by the government to improve service delivery is the Government to Citizen (G2C) project to provide services to citizens in a quick and efficient manner. This is

another measure to introduce NPM-related reforms to improve service delivery. The project, which started in 2010, comprises a team of officials from various agencies with mandates to provide citizens access to services within a certain time limit, reduce turnaround time, and allow citizens to file complaints (www.g2c.gov.bt). Some of the key initiatives to be undertaken by this project are the setting up of a feedback cell for citizens to provide feedback, and the establishment of operating service points in community centres using a public-private partnership model.

Towards the end of 2009, the government signed performance compacts with the ministries building on the foundations of the performance-based system of earlier public sector reforms. These performance compacts included important initiatives the ministries were to undertake over the next three years, and for which they would be held accountable to meet the targets (GNHC 2009). The prime minister, in a statement issued to the press, warned that failure to meet commitments outlined in the performance compacts would earn either a reprimand or resignation of the implementing authorities (Bhutan Observer 2010). To assist the agencies in developing their performance compacts, an international consulting firm, McKinsey and Company, was hired, and a Performance Facilitation Unit was established within the Gross National Happiness Commission. As of June 2011, nine performance compacts had been signed with various ministries and agencies with each of them identifying targets and outcomes (GNHC 2011). Again, these performance compacts are a typical feature of the NPM paradigm that builds on an output-based performance objective. They draw their inspiration from similar experiences in New Zealand.

The Characteristics of the Bhutanese Administrative System Post-2006

Overall, the PCS did not substantially change the shape of the Bhutanese public administration in relation to the ideal types that we saw in Table 4.2. The three normal policymaking components of the PCS—classification of position and occupational groups, recruitment, selection and promotion systems and human resource development—were not radical changes. They only made incremental changes to the cadre system. All three components reinforced the TPA characteristics that were already prevalent under the cadre system. The number of position levels

of the 19 major occupational groups in the PCS was the same as that of the seven cadres of the cadre system. In fact, the PCS had additional levels with the creation of a career path for specialists. The recruitment, selection and promotion component of the PCS did not deviate from the cadre system. Appointments were still based on tenure, and recruitments were still made from within the civil service, which were typical characteristics of the TPA paradigm. The PCS attempted to reduce the minimum number of years of service required in a particular position to two years and also tried to keep provisions for allowing civil servants to apply for positions that were two levels higher. Table 4.2 shows that the characterisation and the dominant focus of the ideal type typology of the recent political and governance reforms have reinforced the Westminster style of public administration. The Bhutanese public administration is still bureaucratic. Although attempts have been made to shrink the size of government through corporatisation, the government has not made efforts towards creating a post-bureaucratic or post-competitive government through outsourcing, privatisation or collaborative efforts. In the initial years of Bhutan's economic development, the government had to take the lead role in the development of economic activity, mainly because of the shortage of human resources and capital. In the late 1980s, however, the government focused increased attention on developing the private sector. And from full ownership, in typical NPM-style reforms, the government divested a number of government undertakings, either by outright sale, partial minority ownership, management contracting, lease management or commercialisation. In the past decade, numerous agencies, such as the Bhutan Power Corporation, National Housing Development Corporation, and City Corporation have been corporatised and delinked from the civil service.

The dominant focus and guiding principles of the Bhutanese public administration continues to emphasise the idea that civil servants should strictly abide by rules and regulations. Although democracy has considerably reduced the absolute powers of the king, nevertheless the popularity of the monarchy in Bhutan ensures that the king continues to exercise nominal powers. Thus, loyalty, both to the country and the king, continues to feature as a prominent guiding principle of the Bhutanese public administration. The civil service is guided by the Bhutan Civil Service Rules and Regulations (BCSR) issued by the RCSC and is constantly revised. Within the last 10 years, there have

been four versions of the civil service rules and regulations: BCSR 2002, BCSR 2006, BCSR 2010 and the most recent BCSR 2012. A consistent theme that runs through each of these sets of revised rules and regulations is that civil servants are expected to abide by the rules and regulations specified by the BCSR. In the foreword to the BCSR 2010, the Chairman of the RCSC states:

> The BCSR 2010 aims to provide even more fair, transparent, accountable and effective uniform rules and regulations in managing the civil service of Bhutan. Ultimately the impact of **stringent application** of the BCSR is expected to bring about **professionalism, dedication, and efficiency** of the civil servants in the service of our *Tsawa-Sum* as well as equity and justice thus eliminating the **evils of nepotism, favouritism and patronage (***emphasis added***)**.

The Chairman's statement underscores some of the main values of the Bhutanese administrative system. The key words to note are those that imply a sense that the strict application of rules will enhance professionalism and efficiency while eliminating patronage and nepotism.

A component of the PCS, however, that changed one of the characteristics of Bhutanese public administration was the performance management system, which was identified as a potential paradigm-shift reform. The performance management system sought to transform the performance objectives of the Bhutanese public administration from the TPA paradigm to the NPM paradigm. The fundamental difference between the performance management system in the PCS as opposed to that in the cadre system is in the emphasis on the management of 'outputs' (refer to Table 5.3). Although the statement of targets in the performance evaluation form of the cadre system is similar to the performance outputs of the PCS, in terms of the final evaluation, the attributes of civil servants towards achieving targets were given greater importance. Such an emphasis on the evaluation of 'inputs' is characteristic of the TPA where the performance objective is to manage inputs. In the case of the performance management system of the PCS, both 'inputs' (core competencies) and 'outputs' (performance factors) were evaluated, with greater weighting given to outputs. A main feature of the performance objective of the NPM paradigm is managing inputs and outputs. It is in this respect that the performance management system of the PCS represented a paradigm shift from the TPA to the NPM paradigm. If the

Table 5.3 Fitting the Bhutanese Administrative system post-2006 within the ideal types of public administration

		Traditional public administration	New public management	Emerging trends
Characterisation	Patronage Spoils System	***Bureaucratic***	Post-Bureaucratic, Competitive Government	Post-Competitive, Collaborative Governance
Citizen–state relationship	Servant-Master	***Obedience***	Entitlement	*Empowerment*
Accountability of senior officials	Ruler/Sovereign	***Politicians***	Customers	Citizens and stakeholders
Dominant focus/ guiding principles	*Loyalty*	***Rules***	Results	Relationships
Key attributes	Personal relationships	***Impartiality***	Professionalism	Responsiveness
Preferred system of delivery	Duress/Forcibly	***Hierarchical departments or self-regulating profession***	Private sector or tightly defined arms-length public agency	Menu of alternatives selected pragmatically
Performance objectives	Satisfying the needs of the ruler/sovereign	Managing inputs	***Managing inputs and outputs***	Multiple objectives including service, outputs, satisfaction, outcomes
Role of public participation	Provide services	Limited to voting in elections	Limited—apart from customer satisfaction surveys	Crucial—multifaceted (customer, citizen, key stakeholder)

Author's own compilation

remuneration and benefits components of the PCS had been approved for implementation, the performance bonus aspect, which is an NPM-related component where salaries and bonuses are tied to performance of an individual, would have reinforced the movement from the TPA to NPM in the performance objective characteristics.

The political changes which were introduced in 2008, including elections, means that the public order is changing and the public are in a position to demand better services from the government they elect. The G2C initiative, in some ways, seeks to redress issues of red tape in the system and quicken the pace of service delivery. It is anticipated that in the future, as the Bhutanese public gain experience with democracy, they will be aware of their rights and leverage their votes to determine policies and programmes that best suit their needs. There have also been recent efforts to improve service delivery through the use of information and communications technology. Changes to the ideal type are reflected in Table 5.3, where a citizen–state relationship is slowly changing from obedience to a sense of empowerment (indicated in italics), and the role of public participation has changed from providing services to taking part in the public policy process through voting in elections. Democracy has also redirected the accountability of senior officials, and they are now accountable to politicians instead of the king. With a new constitution approved by the Parliament in 2008, secretaries are accountable to the government through their ministers. Their accountability is ensured through the appointment process, where a list of nominations is submitted by the RCSC to the prime minister, and endorsed by the king. In addition to the secretaries, the other senior posts in the civil service are the Attorney-General, ambassadors, *dzongdags*, and commissioners to the constitutional bodies. They are accountable to the government and to the Parliament.

Other than these officials, all other senior officials (e.g., directors and executives of autonomous agencies) are responsible to individual ministers or the chairman of the board under which their agency functions. The senior officials in the civil service are not directly accountable to citizens. They are only indirectly accountable through politicians to the electorate.

Although still prominently consisting of TPA features, in recent years, the paradigmette of Bhutan's public administration layers aspects of the NPM. In addition, traces of characteristics of the patronage system and the emerging models are also visible. As we saw with the plausible cause

for hybridity in Bhutan's public administration under the cadre system, in recent years too, the pace of political and socio-economic developments in Bhutan is responsible for changes in the characteristics of Bhutanese public administration. Another interesting point to note is that as public administration systems change from one paradigm to another, it is in some ways an indication of a step-wise progression. Bhutan's experience reveals that this step-wise progression is not always followed. For instance, it is generally expected that systems based on TPA would evolve into the NPM paradigm which would then continue to change. In Bhutan, only certain aspects of NPM have been incorporated. And it may be the case that the system will move on to incorporate new features of the emerging paradigms simultaneously. Whether this step-wise progression is necessary is another point highlighted by the Bhutanese case. As some features of the paradigms are moving in a somewhat cyclical manner (e.g., the move from centralisation in the TPA to decentralisation in NPM and back again to some form of centralisation under new trends such as whole-of-government), it may make sense for the public administrative system in Bhutan to skip steps that have been seen as part of the progression of public administration systems. Using the same example of centralisation, there is continuous pressure for the civil service to decentralise and devolve HR powers to agencies, which may not be entirely necessary. The main reason for this is because the small size of the country could facilitate implementation of a centralised strategic human resource management policy effectively instead of working at various levels (Blackman et al. 2010). This would justify the argument that if properly implemented, centralisation of human resource functions, which is one of key features of the TPA, need not necessarily be outsourced to the private sector or delinked from the civil service. And because changes are taking place fast in the Bhutanese polity, it might be the case that skipping a step is desirable for the public administrative system to remain in tandem with economic and political changes.

In this analysis, it has been shown that Bhutan's public administration is hybrid in nature with a layering of characteristics from a combination of TPA and NPM post-2006. An important point to note is that it may be impossible to totally eliminate patronage in Bhutan given that the populace is relatively small and familial relationships continue to form the fabric of society. It is also expected that so long as the monarchy enjoys the popular support of the people, which has always been the case, the Bhutanese public administration is always going to exhibit

traits of the patronage system. Praise has been given for the system being based on consensus (Mathou 2000) and participation (Verma 1988). In the new democratic setting, it is probable that the public administrative system will become more responsive in its approach to policies and programs.

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Implementation and Evaluation of the Position Classification System Reforms

Evaluating the Position Classification System

EVALUATING PUBLIC SECTOR REFORMS AND ITS CHALLENGES

There is a gap in the post-reform evaluation literature on public administration. Andersen (2008) argues that enormous resources are invested in reforming public sectors across the world and evaluations are urgently required. Although there have been some evaluation studies, there remain fundamental issues that make evaluation of public sector reforms a challenging field to study. Part of the problem with the evaluation of policy, in general, is the debate about whether or not it measures empirical facts of 'what has happened or not' or about 'how people interpret the policy environment and wider social change perceived to be connected with this environment' (Barnes et al. 2003 cited in Haynes 2008, 402). In the practice realm, although evaluations have been conducted by governments, they have been used in a relatively limited and sporadic manner (Thoenig 2003). Sanderson (2002, 6) explains that evaluation research is perceived to be used conceptually rather than instrumentally, and that decision-makers tend to use evaluation in an 'unsystematic' and 'diffuse' form. Various researchers offer plausible reasons for the dearth of evaluation studies. One of the key challenges in policy evaluation is the difficulty in identifying and measuring goals and objectives to serve as a baseline (Winter 2003; Wollmann 2003). Winter (2003) points out that the problem lies in the way goal achievement is perceived, which is often a fraction of the output or outcome as the numerator and the policy goal

as a denominator. The evaluation of public sector reforms, as Wollmann (2003, 6) notes, is 'thornier' than policy evaluation in general. One of the factors that causes such challenges, particularly in the field of public administration, is the disconnection in the links between the various aspects of the policy process in public sector reform process. Barzelay and Jacobsen (2009, 319) point out the disconnection, stating that 'theoretical accounts of policy-making are incomplete when they neglect the postdecisional, follow-up of implementation phase'. Therkildsen (2000, 66) also notes the weak link between public sector reform policymaking and implementation, arguing that 'decisions on reform measures are therefore often taken without due regard to implementation capacity and budget constraints'. It is evident that the policy formulation process and policy design affect implementation results (Winter 2003), and implementation is considered an integral part of the 'policy process rather than an administration follow-on' (Barrett 2004, 253).

Nevertheless, the importance of evaluation of public sector reforms cannot be denied. Public sector reforms normally involve considerable investment in terms of financing and also in the creation of new management teams, and evaluation would be a way to determine if the money was worth the investment (Broadbent and Laughlin 1997). Evaluation also plays an important role in providing information about performance in enhancing accountability and providing evidence of what works to inform policy learning and improvement (Sanderson 2002). Finally, the 'information generated through program evaluation helps to inform day-to-day management and future programming decisions and implementation initiatives' and the findings also 'provide feedback to the formulation stage to inform decisions about policy change' (James and Jorgensen 2009, 142). In conducting evaluation studies of institutional reform policies, Kuhlmann and Wollmann (2011, 480) identify three interrelated and sequential steps and loops. First, evaluation may be addressing institutional change as intended by institutional reform measures. That is, its guiding question is whether and why the intended institutional change has been or has not been achieved. Second, evaluation is led by the question whether and why the effected institutional reform has or has not brought about the intended change in the operation in the institutional setting under consideration. Third, outcome evaluation aims at identifying and explaining the achievement or failure of intended outcomes of institutional reforms.

According to Bovens et al. (2006) there are two opposing traditions in evaluation studies, the rationalistic and the argumentative traditions. Broadly, the rationalistic tradition emphasises value neutrality and objective assessments, ignoring the pressures of politics. Borrowing concepts and methods from the natural and physical sciences, the rationalistic tradition produces factual data to construct theoretical policy optimums in terms of efficiency and efficacy. Evaluation involves measuring the distance of actual policy outcomes from this optimum. An example of a rationalistic tradition is the evidence-based form of policy evaluation. Sanderson (2002) points to two main forms of evidence required to improve governmental effectiveness, that is, promoting accountability in terms of results and promoting improvement through more effective policies and programs. Based on a rational decision-making model of policy process, policy is perceived as a course of action in pursuit of objectives ('goal-driven') and evaluation measures the extent to which the policy achieves these objectives ('goal-oriented') (Sanderson 2002, 5). On the other side of the evaluation spectrum, the argumentative tradition views policy evaluation as informed debate among competing interests that incorporates politics in the *ex post* analysis of policy performance. It does not treat facts as separate from values. Taking a social constructivist approach, the argumentative tradition focuses on the interpretation of physical objects rather than the actual measuring of these objects. An example of the argumentative tradition in evaluating policies is the work of Assche et al. (2012) where they present an evaluation of Dutch spatial planning based on a conceptual framework of discourse and social systems theories to grasp the reasons for utilising ascriptions of success and failures of policies. Basically, they distinguish between 'discursive configurations, rhetorical functions, performances and effects of ascriptions of failure and success', and argue that configuration of the discursive environment represents the potential for success ascription to spread and the potential for transformation (Assche et al. 2012, 568). Furthermore, they add that each system creates its own 'semantics of success and failure', and in an organisation, decisions that make systems change course can be interpreted as either innovation or mistake, as success or failure (Assche et al. 2012, 570).

As a combination of both traditions, Bovens et al. (2006) propose a 'revisionist' approach to evaluation. Essentially, they identify two dimensions to evaluation, programmatic and political dimensions. The programmatic dimension takes into consideration the effectiveness, efficiency and resilience of the policy. And the political dimension examines how politics

and policymakers are represented and evaluated in the political arena. The rationalist approach to policymaking, which was initially adopted by governments in order to overcome weaknesses of subjective and opinion-based policy that relied on selective use of evidence or untested views of individuals or groups, did not pay enough attention to the political context within which policy was made (Cameron et al. 2011). Thus, the revisionist approach positions itself in between the two traditions to build on their advantages and also in the process accounting for weaknesses in the two approaches. Building on the revisionist approach, Marsh and McConnell (2010) developed the Dimensions of Policy Success model to evaluate policy. The model essentially identifies three broad dimensions for evaluating the success of a policy: process, programmatic and political successes. According to Marsh and McConnell (2010, 572–574), *process* refers to 'stages of policy-making in which issues emerge and are framed, options are explored, interests are consulted and decisions made'; *programmatic success* occurs when the 'policy process involves, and reflects the interests of, a sufficiently powerful coalition of interests'; and *political success* acts as the 'benchmark for policy success' which is determined when 'it assists [the government's] electoral prospects, reputation or overall governance project'. The framework also includes indicators and evidence of each of the three dimensions. The process dimension includes indicators such as legitimacy in the formation of choices, passage of legislation, political sustainability and innovation and influence. The programmatic dimension includes indicators such as operational, outcome, resource and actor/interest. The indicator for the political dimension is the government's popularity.

METHODOLOGY IN THE EVALUATION OF THE PCS

In conducting an evaluation of the PCS, this study employs a mixed-method approach in examining the dynamics of public sector reform. In recent years, an increasing number of researchers have used a combination of different methods in the field of public administration (e.g., Compagni and Tediosi 2012 and Haggett and Toke 2006). While there are ongoing discussions about the suitability of certain methods and of combining different methods, public administration research is also multidisciplinary (Haggett and Toke 2006). It is because of the multidisciplinary nature of public administration that Haggett and Toke (2006) point to a growing trend that combines more than one method to address different aspects of an issue. Combinations can be made at two levels, and a distinction needs to be made between the two levels. One level is a combination

of 'methodology', which is at a broader level and combines interpretivist and positivist methods (Lin 1998). The other is the 'methods' level and includes a combination of qualitative and quantitative methods (King et al. 1994). Both forms of combinations, that is, the interpretivist-positivist and qualitative-quantitative, have advantages. In the combination of the interpretivist-positivist approach, the advantage is that it helps in the explanation of various aspects of causality, that is, the 'what' and the 'how'. The positivist approach explains the important variables and the scope of a problem, that is the 'what'; and the interpretivist approach provides explanations of the substantive and theoretical significance of a set of relationships, that is the 'how' (Lin 1998). Similarly, in the combination of the qualitative-quantitative approach, Haggett and Toke (2006) contend that while the strength of quantitative analysis is its manipulation suitability and precision of assessment, qualitative analysis complements its weaknesses of not being able to capture important non-quantifiable variables. Furthermore, although manipulation suitability can be a strength, it can also be a weakness, especially when statistical data are transformed for political purposes and thus poorly reflect reality. It is in such circumstances that including qualitative analysis is helpful. Similarly, only using qualitative analysis can also have its limitations. Using a qualitative-quantitative combination study enables to include information that would otherwise be limited by involving only a specific method.

This book employs a mixed-method approach based on a combination of quantitative and qualitative methods. The two methods are used simultaneously to serve specific purposes. The quantitative method, through a survey, focuses mostly on the implementation of the Position Classification System (PCS), and determines the perception of the PCS by civil servants in general. The qualitative method, through in-depth interviews, explores the factors that went into the formulation of the reforms and some aspects of the management of the reforms. Since there is little documentation of Bhutan's public administration history, both recent and past, the book also relied on interviews, especially with senior officials, to generate historical anecdotes of Bhutan's modern public administration system.

In-Depth Interviews

In-depth interviews with elites in Bhutan's civil service formed one of the two methods used in generating data for the study. According to Weiss (1994, 10), such qualitative interviewing techniques help in getting 'dense' information that is useful while describing 'how a system works or

fails to work' and will enable us to 'learn about perceptions and reactions known only to those to whom they are concerned'. In terms of the techniques applied for the interviews, a few officials were initially identified based on their involvement in the PCS. Others were identified based on a snowballing method and they were recommended based on their potential to provide the information I sought. Following a short introductory note, questions took an organic form depending on the situation and the answers provided by the respondents.

In total, 23 interviews were conducted both with elites in the Bhutanese civil service and an international advisor involved with the formulation of the PCS. The interviewees were identified based on their involvement with the PCS either during its formulation or implementation. Interviews with elites are useful because they are often the ones who possess the most knowledge about reforms, and are therefore the most reliable informants (Enticott 2004). To help sort through the questions for interviews, the interviewees are categorised into five groups (refer to Appendix I): those involved in the reform formulation (e.g., PCS committee members and focal persons); international advisors and consultants; those involved in the coordination of the PCS (e.g., officials of the Royal Civil Service Commission [RCSC]); those involved in the implementation of the PCS (e.g., secretaries and directors of organisations); and those who possess historical and other useful knowledge on Bhutan's public administration. Most of the 23 officials identified as respondents for the interviews (indicated as 'R' and their unique respondent identity number in Appendix I; all of their responses in this book are cited based on their respondent identity number) are at the senior level in Bhutan's civil service and were directly involved in the formulation of the reforms. Several of them were at the senior executive level and were directly responsible for overseeing the implementation of policies at an agency. Two of the officials interviewed provided crucial information about the system prior to the implementation of the PCS. This information was particularly helpful as there is little documentation of the reforms that were initiated in the Bhutanese civil service.

The format for the interviews was mostly semi-structured, which according to Burnham et al. (2004, 205) is 'often the most effective way to obtain information about decision-makers and decision-making process'. But the basic framework included some background questions about their involvement in the PCS. This was followed by questions based on the four categories of interviewees (refer to Appendix I for the questions

for the interviews). For the reform formulators, questions were based on the conceptualisation, formulation, implementation and evaluation of the PCS. For the international advisors, questions included their contributions, understanding of local needs, challenges and issues and implementation of the PCS. For those interviewees involved in the coordination of the PCS, questions were based on the formulation, implementation and transition management of the PCS. And for those involved in overseeing the implementation of the PCS in their organisation, questions were on transition management and implementation of the PCS. All interviews generally ended with an open-ended question about their views on the PCS. The interviews ranged from 45 minutes to 90 minute,s depending on the availability of the interviewee and were recorded based on their consent.

The interviews were transcribed and uploaded into NVivo software, and were categorised into various nodes. Some of the main nodes used were based on various aspects of the generic policy cycle framework. The first node indicated conceptualisation and formulation, which included specific points on job descriptions and committees of the PCS. The second node discussed the decision-making process, including points on the approval of the PCS. The third node included information about the implementation of the PCS and included points about transition management, job-mapping and overall implementation of the PCS. A fourth node discussed specific problems of the PCS, such as issues around autonomy of agencies, decentralisation of human resource actions, public versus private sector, role of the civil service, and the culture and values of the Bhutanese civil service.

Survey of the Civil Servants

A pilot survey was first conducted in July 2011 to test the questions to be used for the final opinion survey and also to get an idea of some of the preliminary perceptions and findings. An online polling system called APOLLO developed by the Australian National University (ANU) was used. The link to the survey was sent out to all Bhutanese civil servants temporarily residing in Canberra, Australia. There were a total of 26 respondents to the survey. Some useful lessons from the pilot survey were, first, that conducting an online survey was not feasible for Bhutan and it was difficult to keep track of those who responded or did not respond. Second, the number of questions had to be shortened and it was impor-

tant to avoid repetitive questions. The third lesson was that the set of questions on Bhutanese values were not useful in that they did not offer any meaningful set of comparisons.

For the main survey, a stratified random sampling technique was used and civil servants were identified by their agencies and then by their position levels. Stratification by agency helped in sorting civil servants by major occupational groups and also by location, as those civil servants placed outside of the capital city, Thimphu, still come under the administrative sphere of the parent agency. Stratification by position levels helped in sorting the civil servants by hierarchy of positions and also by qualifications, which are related to position levels. Therefore, the primary intention of a two-pronged stratification system was to get a combination of respondents based on their major occupational groups and by their position levels and qualifications. All the ministries were included in the survey except for the Ministry of Foreign Affairs. Employees of the Ministry of Foreign Affairs were excluded from the survey as there were only 149 people in total and 85 of them were posted in various embassies and missions out of the country. Employees of the seven relatively larger autonomous agencies were identified for the survey. Upon obtaining a list of civil servants in a particular agency, the employees were sorted in order of their position levels—ranked from highest to lowest, that is, from the Secretary (EX1) to those in the O4 position levels—and then by alphabetical order. Depending on the size of the agency every fiftieth, fifteenth, tenth, fifth or third name was selected from the list. For instance, for a larger agency such as the Ministry of Education which has a large number of teachers, every fiftieth name was selected. Similarly, for the Ministry of Agriculture and Forests every fifteenth name was selected. For a smaller agency such as the National Statistical Bureau every third name was selected. Upon identification of the target sample population, each respondent was given a unique response identity number. The survey was mailed out individually to the respondent's work address, which was obtained from their parent agency. As the personal postal system in Bhutan is not well set-up, the official mailing system is currently more efficient. The respondents were asked to post the completed survey to their respective Human Resources (HR) divisions using the internal office mailing system. The surveys were sent out in October 2011 and respondents were asked to return the completed forms by the end of December 2011. Reminders to respondents were also sent out in November 2011 through the HR divisions of agencies.

The opinion survey was divided into three parts (refer to Appendix II). The first part included questions on perceptions of the PCS. The second part included questions on the values of the civil service and the questions were directly adopted from Hofstede's Values Survey Module (VSM) 2008.[1] The third part comprised questions about personal details to be used purely for statistical and research purposes. Most answers were based on a five-point Likert Scale with an option of 'don't know' also added to the response. An open-ended question was placed at the end of Sect. 1 for general comments on the main reasons why they thought the PCS was a success or a failure. Two people hired for data entry entered the survey data into Microsoft Excel spreadsheets using a coding system prescribed by the researcher. A presentation was made to the commissioners and staff of the RCSC for information and feedback in January 2011. The statistical analysis of the data from the survey was conducted using the statistical software STATA.

Perceptions of the PCS and the Timing of the Evaluation

In the survey conducted with the Bhutanese civil servants in October–November 2011, the findings showed that the perception towards PCS was generally positive, with 41 % positive and 10 % very positive views as opposed to 14 % negative and 4 % very negative views (refer to Figs. 6.1 and 6.2). To cross-check that the respondents understood or answered the question about their perception of the PCS correctly, I also asked respondents
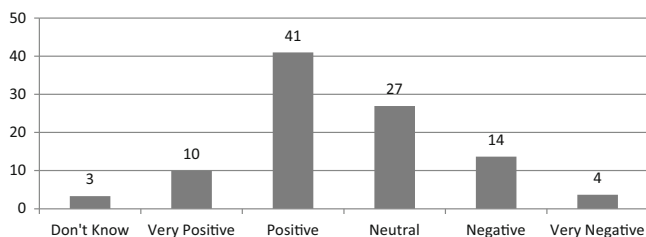
Fig. 6.1   What is your perception of the PCS? (%)
Source: Author's own compilation

[1] A detailed discussion on the method to generate values and an analysis of the values of Bhutan's culture is presented later in Chap. 8.
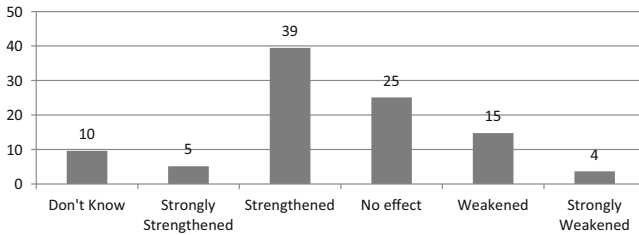
Fig. 6.2 What do you think was the overall effect of the PCS on the civil service? (%)
Source: Author's own compilation

for their views on the effect that the PCS had on the civil service, that is, if the PCS had strengthened or weakened the system. The findings were similar to those for the overall perception of the PCS, with 39 % saying that the PCS had strengthened the civil service and 5 % saying that the PCS strongly strengthened the civil service. And 15 % and 4 % of the respondents thought that the PCS had either weakened or strongly weakened the civil service. In both questions, approximately 25 % of the respondents thought the PCS had no effect on the effectiveness of the system and almost the same number had a neutral perspective on the overall perception of the reforms.

These positive perceptions of the PCS are surprising because just a few years ago, the PCS was publicly discussed as a failure by leading political figures and civil servants. Immediately following its implementation, the PCS received a slew of attacks on online discussion forums continuously for almost two years. Such strong perceptions of the PCS prompted the prime minister, in a gathering with senior civil servants in February 2009, to declare that the PCS was a 'mistake' and that it had weakened the civil service with its 'rules and regulations' and would be reviewed (Kuensel 2009). A simple survey was also conducted by the Ministry of Agriculture among its staff in June–July 2009 on whether or not the PCS was effective in improving the objectives of professionalism, meritocracy, fairness, transparency and accountability. The findings echoed the publicly declared sentiments of general civil servants towards the PCS: in all cases, more than 70 % of the respondents (n = 177) felt that the PCS had not improved the system to achieve its goals. Another indicator of the success of the PCS would be the political dimension aspect of policy evaluation. Marsh and McConnell (2010) identified as an indicator of political success the popularity of the government based on the implementation of the policy

and whether it helped in either re-electing or boosting the credibility of the government. With the PCS, the same ministers who approved the PCS in 2006 were also the prime ministerial candidates of the two parties standing for election in 2008. Neither of the two parties contesting in 2008 took credit for the introduction of the PCS. On the contrary, in the 2013 elections, the winning party had as one of its manifestos to 'revisit the PCS, and if needed, revoke [it]' (PDP 2013, 21).

The change in perception towards the PCS from a negative to a positive perception over the years reflects the fact that reforms take some time before they are acceptable and hence successful. This leads to the conclusion that one of the key challenges in evaluating the PCS reforms is determining the time frame within which the reforms should be evaluated. The findings of this study based on experiences of the PCS show that perceptions tend to change over the years. Pollitt and Bouckaert (2004) contend that the time frame before the full benefits of changes in processes and structures in public agencies ranges anywhere from three to five or more years after the launch of a reform programme. These findings reveal the need to evaluate public sector reforms at several phases of the implementation to get a more robust evaluation of the success of changes.

An important indicator of success is to assess whether or not a policy benefited a particular category of people. Success is often 'contested' by various parties and there will not be agreement on whether or not any aspect of a policy was successful (Marsh and McConnell 2010, 575). To assess whether or not the PCS benefited a particular category of civil servants the perception of the PCS was made against categories such as qualifications, position levels, age, location, year of joining the civil service and major occupational group of respondents. Examining perceptions towards the PCS by qualifications, one would have expected that those without an undergraduate degree would have a higher rate of negative perception towards the PCS. As one of the interviewees noted, the PCS stressed the importance of qualifications over seniority (R2). The civil service had a large number of people who only possessed high school diplomas and who were recruited at a time when there were not enough people in the civil service. Interestingly, the survey revealed that those respondents with a diploma and Class X/XII certificate had positive (51 %) and very positive (9 %) perceptions of the PCS; whereas a relatively high number of civil servants with a master's degree had a negative perception of the PCS (27 %).

The survey showed that the perspective by position levels was fairly uniform across the position categories. Of those respondents in the pro-

fessional and management category, 12 % had a very positive perspective of the PCS and 38 % had a positive perspective, as opposed to 15 % who had a negative perspective and 3 % who had a very negative perspective. Similarly in the supervisory category, 8 % had a very positive perspective and 48 % had a positive perspective as opposed to 4 % who had a very negative perspective and 8 % who had a negative perspective. When assessing the perception of the PCS by dividing the respondents into occupational groups, those in the professional and teaching groups had a slightly more positive perspective (56 % and 60 % respectively) than the administrative group (45 %). When assessing perceptions by the year respondents joined the civil service, again the perspectives are mostly positive for all categories of year that they entered into the Bhutanese civil service. There is a difference in the degree of positivity, with those joining the civil service post 2006 and in the periods 2000–2005 and 1990–1999 having a higher rate of positive responses—59 %, 50 % and 49 %, respectively. Those joining in the years 1980–1990 had a slightly lower rate of 48 %. In the overall perception towards the PCS by location of work, there is a positive perspective with civil servants, both in the capital city (Thimphu) and the regions almost similar—46 % in Thimphu and 60 % in the regions viewing the PCS positively. In examining the perceptions of the PCS by age group, those in the age groups of 20–24, 25–29 and 30–34 years had a higher rate of positive perceptions, ranging from 57 % to 61 %, whereas those in the age groups 35–39 and 40–49 years had a relatively higher negative perception of the PCS, with only 32 % of respondents in the 40–49 years age group indicating positive perceptions. As an official involved in the formulation of the PCS put it, this group comprises 'old timers', many of whom did not have adequate qualifications (R3). The BCSR 2006 and its subsequent versions puts an age limit cap at 45 years if civil servants want to avail themselves of the opportunity to apply for funds or for study leave to pursue a long-term academic programmes.

Scope of the Evaluation of the PCS

Although the perception towards the PCS has become more positive in recent years, there still remain major issues with its implementation. As a senior official involved in the formulation, as well as an executive in an implementing agency noted, the PCS in its objectives was clear in terms of what was expected out of the change initiative, but 'when it came to implementation, it has fallen by quite a large degree' (R4). This section

explores this 'rhetoric versus reality' debate in the implementation of the PCS by evaluating the components of the PCS against its initial objectives. It is important to analyse common issues in the overall implementation of the PCS. Such an outlook in the movement of the PCS towards an ideal type will help in examining issues in formulation and transition from the cadre system to the PCS. The discussion on processes of the PCS will also isolate factors around the perception of the PCS based on the implementation of components of the PCS.

Formulation and Decision-making of the PCS

The Good Governance exercise of 1999 initiated by the Bhutanese government specified that the objective of the PCS was to overcome some of the weaknesses of the cadre system, particularly in the absence of job descriptions and by reinforcing merit through a better promotion system. In strategising the formulation, however, findings show that there was a lack of clarity in what the PCS was expected to achieve, and how to go about it, amongst those involved in the formulation. As one of the people involved in the formulation stated, 'there appeared to be no one clear view of the PCS, and what it actually entailed, and there are different versions in its interpretation which affected in ensuring uniformity while implementing' (R4). The PCS provided an opportune moment for the government to introduce other reforms that were required in Bhutan's civil service. An official of the RCSC Secretariat admitted that 'the introduction of PCS was also used as an opportunity to implement other reforms that the RCSC was working on', such as rules on leave and open competition selection processes (R7). Instances where reforms tend to generate further reforms can often be observed in practice (Therkildsen 2000; Thoenig 2003). The experience with the formulation of the PCS clearly indicates that in its final form it took on a set of comprehensive public sector reforms. And the PCS was claimed as a 'new public service order', which certainly added hype and was seen as a solution to the weaknesses of the cadre system. In its attempt to be perceived as something new, the PCS neglected incorporating some of the strengths of the cadre system. In its own way, as an official involved in the formulation acknowledged, the cadre system did promote morale and professionalism in the civil service, and now in the implementation of the PCS, there are instances where PCS has had to revert back to some aspects of the cadre system (R2).

In designing the PCS, both experts from within the country and from outside were involved and their contributions were visible in the final policy document of the PCS. Generally, at this level, as an official involved in the formulation of the PCS pointed out, the interaction was good although there were a few instances where the focal people for the PCS in the agencies changed often and thus continuity was lost (R2). At the level of involving stakeholders, that is, general civil servants, findings show that there were numerous issues. Those involved in the formulation of the PCS admitted that, 'We could not come up with a very clear road map that we could communicate to the general civil servants' (R3); and 'more consultation could have happened so that there was a clear understanding of what the whole system [PCS] is' (R4). This point is also reflected in the survey which indicates that about 55 % of respondents thought that they were not provided sufficient opportunities to provide feedback in the formulation of the PCS, as opposed to less than 30 % who thought they had the opportunity (refer to Fig. 6.3).

Transition of the PCS

The findings of the study reveal that an important component that was overlooked in easing transition into the new reform was preparing civil servants to adapt to the new systems and to inculcate the new work culture brought in by the PCS. The PCS was perceived to be a major reform situated 'within a larger social context' (R11) and one that required people to 'change their mindset' in a big way (R7). Pollitt (2006) agrees that structural reforms seldom take place in a 'vacuum' and there are other things going on at the same time. The transition to the PCS was not man-
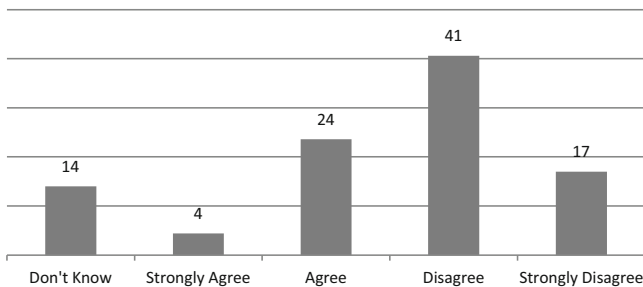
Fig. 6.3 Opportunities for feedback (%)
Source: Author's own compilation

aged well and there appeared to be a lack of clarity in the implementation strategies, leading to disparities in the implementation. To enhance implementation of reforms, it has been suggested that the reforms should have a clear connection between goals and the means to achieve these goals (Winter 2003), and the implementation structure and processes should be simple (May 2003). The lack of clarity was evident with the PCS, as an official responsible for formulation and implementation of the PCS remarked:

> I think there is no one clear view of the PCS. So depending on who you talk to, you get different versions of PCS. Even on certain issues which are now quite common but if we talk to people they have different interpretations, which shows that we brought in a new system without clear understanding, clear alignment. And once we don't have clear alignment, you can imagine what will happen in implementation. (R4)

This reflected the fault of the agencies and individuals involved with the PCS. It was up to them to explain the purpose of the PCS and prepare staff for the new system. An official pointed out that there was a 'lot of resistance' from both general civil servants as well as decision-makers (R2). Similarly, an official involved in the formulation and coordination of the PCS also noted that a large majority of civil servants did not accept the reforms and, subsequently, complained that the PCS brought in changes that made jobs 'unstable because of the requirements of all those criteria of the PCS' (R21). As a result, the implementation of the PCS also suffered because of a lack of capacity to manage the reforms. There was also a lack of in-house experts to clarify issues raised by agencies. An official responsible for implementing the reforms acknowledged that the PCS was a major reform initiative and that in-house capacity to implement the reforms was weak, and they had to handle the reforms hands-on without proper expertise (R7). A key strategy adopted by the RCSC to implement the reforms was to build the capacity of HR officers in agencies to oversee the implementation of the reforms in addition to managing all the HR activities that were decentralised through the PCS. These HR officers were mostly fresh inductees to the civil service, and hence were new to the PCS too.

The findings showed that although the cadre system had its weaknesses, there were also a lot of strengths that the PCS ignored. For instance, the cadre system allowed those in the non-officers level, Grade 9 (S1) and

below, to rise to at least Grade 6 (P3), whereas with the PCS, it did not allow movement beyond S1 if civil servants did not possess a university degree. Such a hurdle in the promotion ladder led to stagnation at the S1 level because most civil servants entered at the S3 level—a key entry point into the system for those with Class XII and a diploma qualification—and within a span of eight years, they would have reached the S1 level. The RCSC then started making exceptions for some of the occupational groups to allow them to move one position level up, thereby defeating the purpose of the PCS and also creating discrepancies in the implementation of PCS among sectors. As a manager responsible for implementing the PCS noted, another advantage of the cadre system was that it allowed for 'logical succession planning' and people did not move in and out of an organisation frequently (R9). This was one of the major complaints of the PCS, that people tended to move through positions too frequently and also across occupational groups, which resulted in a loss of professionalism in the system. The perception towards how the transition to the PCS was managed is perhaps best reflected in Fig. 6.4, which shows a slightly greater proportion of respondents who disagreed with the statement that adequate measures were taken to ensure the successful transition of the PCS.

The key strategy put in place for the effective implementation of the PCS was the job-mapping exercise. The job-mapping strategy aimed to integrate civil servants from the cadre system into the new system. This was conducted by aligning the grades of the cadre system that civil servants were in with position levels. The position levels in the PCS were adapted from its original form to align with the cadre system, and each position level in the PCS could be more or less equated to an equivalent
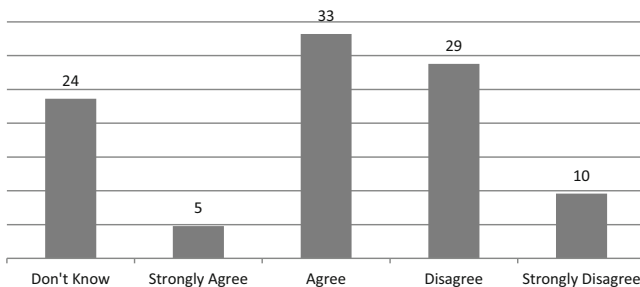
Fig. 6.4 Measures to ensure successful transition in place (%)
Source: Author's own compilation

grade. In hindsight, while there were complaints that the PCS was not a new reform but an extension of the cadre system, such a strategy of maintaining close proximity with the cadre system did avoid possible tensions. This is because in the cadre system civil servants were placed in certain positions by default, and there was disparity in responsibilities between people with the same grades. This category of people posed a problem during the job-mapping exercise. To overcome this problem, an interim strategy was to assign position sublevels, for example, A, B, C and so on. This created some confusion but it also helped in overcoming the problem of matching those people already shouldering higher responsibilities to appropriate levels without disrupting the work of the organisation.

There were inconsistencies in the way in which the job-mapping was conducted. An official in one of the agencies who played a formative role in job-mapping for his organisation complained that 'RCSC did not give us clear instructions' and therefore how the agencies went about it created discrepancies within the system (R12). On the part of the RCSC, the workload of the entire exercise was under-estimated, and it was left to a single division within the RCSC—that is, the Human Resource Management Division (HRMD)—to coordinate the entire job-mapping process. Understandably, an official of the RCSC Secretariat admitted the HRMD had a 'difficult time' (R7). Because the job-mapping exercise was not planned properly and was staggered over a period of two years, those agencies whose job-mapping exercise was done towards the end realised the advantage of mapping their staff within the sublevels. Therefore, instead of assigning a staff member in Grade 8 to the equivalent P5 level, they would be assigned at the P3 (C) level. The way the promotion rules were framed to allow combined sublevels affected the rise of an official posted in P5 as opposed to a colleague posted in P3 (C). In such a scenario, the official in P5 would have to serve a minimum period of four years before he or she moved to P4 and then another four years to move to P3, whereas his or her colleague could be eligible in two years to move to P3 (B) and then after another two years to move to P3. Even as the reform moved into its fifth year of implementation, there were still a few civil servants at the P5 (F) sublevel (R10).

Implementation of the PCS

In the implementation of the PCS, findings reveal that numerous issues surfaced. The success of public sector reform depends, to a large extent, on clarity of roles, responsibilities and accountability in the implementa-

tion of the reform (Jones and Kettl 2004). One of the respondents to the survey explained this point: 'While fundamental promise of PCS was good and sound, the implementing agencies failed in actual implementation. Therefore there was a general feeling of resentment, discontent and apathy toward PCS system as a whole as a result' (RS2). In the applicability of the PCS to Bhutan, one of the major criticisms of the PCS was that there was a mismatch between the PCS as a concept and the PCS in practice. Even during the formulation stage, as the international advisor noted, the challenge was taking 'theory and trying to make it far more tangible, and we were trying to look at ways to make it more operationalised' (R22). Despite these efforts, components such as the performance management system, which in theory had elaborate mechanisms at various stages of the appraisal system to capture all elements of performance, faced obstacles with its implementation. Another area of conflict in the application of the PCS was the desire for a qualified civil service through the PCS. A criterion specified was the requirement of a minimum of an undergraduate degree to be eligible to get into the professional and management and higher categories. With only about 25 % of civil servants possessing a university degree (RCSC 2007), the PCS was perceived as benefiting only a certain segment of the population.

Figure 6.5 shows that only about 40 % of respondents thought that the implementation of the PCS was as per the policy document and manual and about 25 % thought that it was not. Almost 33 % of the respondents did not know whether or not the PCS had been implemented as set out in the policy document. This reflects their lack of knowledge either of the implementation or of the policy document and manual. The latter pos-
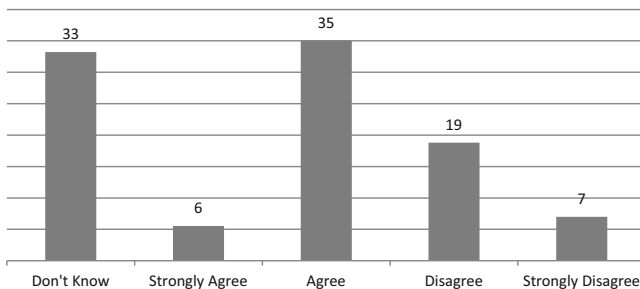
Fig. 6.5 Implementation of PCS as per Policy Document and Manual (%)
Source: Author's own compilation

sibility is highly likely and is indicative of the fact that civil servants were not knowledgeable about the contents of the PCS policy document and manual.

Normal Policymaking

Classification of Positions and Occupational Groups

A key objective of the PCS was to establish a fair and equal system based on the principle of equal pay for equal value of work. This objective was to address the weakness of the cadre system where a position did not have a specified job description and the work assigned was based mainly on the individual or the manager. In this sense, the PCS aligned with Weber's theory on bureaucracy and modern officialdom and reinforced the traditional public administration (TPA) characteristics in the Bhutanese civil service. Basically, the PCS injected into the public administration TPA characteristics where the public administration is based on fixed and jurisdictional areas ordered by rules and there is hierarchy and levels of graded authority with those in lower position levels supervised by higher ones. The PCS classified all positions of Bhutan's civil service. It described each position in a comprehensive manner considering the responsibilities of the position, and the knowledge, qualifications and experience required to perform those responsibilities. The classification and occupational group component also set out to pursue accountability in public administration by clearly outlining roles and responsibilities through job descriptions.

In the implementation of the classification of position and occupational groups component of the PCS, civil servants generally agreed that the major occupational groups were comprehensive and provided opportunities for specialisation (refer Fig. 6.6), with close to 70 % of respondents agreeing or strongly agreeing with the statement. Respondents also agreed that their job descriptions were clearly defined, with 54 % agreeing and 15 % strongly agreeing with the statement. The PCS certainly resolved many issues of the cadre system where one position had people with a range of different grades (R1). One such position was the post of *dzongdags* (governors of local governments), who were now placed in position level EX3, whereas in the cadre system there were people ranging from Grade 1 (equivalent to a Secretary in the EX1 position) to Grades 4 or 5 (equivalent to the post of a division chief in the P1 position).
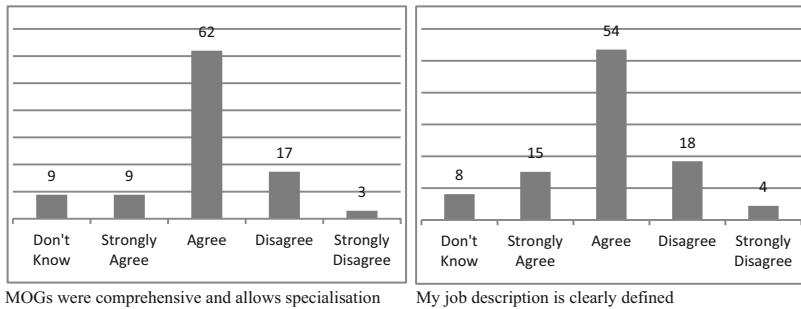
Fig. 6.6 Perceptions of Positions and Occupational Groups (%)
Source: Author's own compilation

There were still some areas that required improvement or faced challenges in the implementation of the classification of positions and occupational group component. One area of shortcoming in the classification of positions was the job descriptions themselves. An official involved in the formulation and implementation of the PCS stated that these job descriptions were not referred to when performing the jobs (R8). And 22 % of respondents stated that they either 'disagreed' or 'strongly disagreed' that their job descriptions were clearly defined. Part of the reason why the job descriptions were inadequate could be because of the magnitude and scope of the work itself. The PCS reform formulators found it difficult to compare and fit all the positions within the 19 occupational groups into a uniform classification system. Another reason why the job descriptions were not referred to in the implementation process could be due to the poor quality of work in the description of the jobs. Many of the officials involved in the formulation of the PCS complained of the differences in the quality of work and the capacities of the focal persons who were identified to conduct and compile the job descriptions in their agencies. As an official involved in the formulation of the PCS stated, some agencies did not 'realize the importance of this exercise' and a lot of factors for the purposes of the PCS depended on how well the job description was written (R7). Other officials pointed out that in some agencies, the focal persons who were writing the job descriptions were not qualified or did not know the work of the specialists in their agencies (R3, R14). An often-cited example was in the case of the medical profession, where the doctors and nurses were not consulted enough in the job description exercises.

On the part of the focal persons, there were complaints that they were not provided with adequate training or sufficient guidance to conduct the job description exercise. Generally, in the end, an official involved in the implementation of the PCS pointed out that staff in those agencies where the job descriptions were done 'professionally and objectively' benefited from being able to move to higher position levels (R2). Another issue faced was in the classification of occupation groups in the inability of the PCS to classify certain positions. For instance, in the case of land administration and management, a senior executive noted that it was classified under the scientific and engineering group, when it was more administration and management-related (R16).

A key feature of the occupational groupings of the PCS was the categorisation of all the positions and occupational groups in the Bhutanese civil service into four broad categories of executive/specialist, professional/management, supervisors and operations. To move from one category to another, a civil servant had to possess a specified minimum qualification. So to be eligible for a position in the professional/management category, for example, a civil servant had to have a minimum of an undergraduate degree, and to move into the specialist category, a minimum of a master's degree was required. This deviated substantially from the cadre system, where civil servants could move up in the hierarchy where grades overlapped among the different cadres, based on serving a minimum number of years. Under the cadre system, a civil servant belonging to the administrative support cadre could move up to Grade 6, which is equivalent to a mid-level civil servant from the administrative cadre. With the new reforms, the requirement for a minimum qualification proved to be a major issue and created such severe challenges in the implementation that constant revisions in the rules had to be made to allow for exceptions for certain occupational groups.

The implementation of the categorisation produced stagnation in the system. The first stagnation point was just after the P1 level where the options were to move into either the executive or specialist category. With limited positions in the executive category, an official highlighted the point that civil servants were forced to move into the specialist category (R8). Such a move defeated the purpose of creating professionalism in the civil service, and it was used as an alternative career pathway to avoid stagnation at the P1 level. An official pointed out that during the formative years of the PCS, the to-and-fro movement of civil servants once placed in the specialist category moving back into the executive category, willing to accept salary reduction and loss in seniority, was severely criticised

(R1). The second point of stagnation was at the cusp between the supervisory and professional/management levels, where the requirement for a minimum qualification of an undergraduate degree was putting pressure on civil servants to upgrade their qualifications. Such an effort required considerable time and resources on the part of the civil servant, but it also translated into the loss of specialised technical skills. For example, in the Ministry of Health, occupations such as x-ray and laboratory technicians supplied critical diagnostic services for doctors. However, as the international advisor noted, to move to the next higher pay level, they had to upgrade their qualifications, and if they were successful in fulfilling the requirements for the next higher position, their job requirements were quite different than that for which they had experience and skills (R22).

Despite the minor issues with the PCS component of classification of positions and occupational groups in the implementation, the findings reveal that the classification of positions and occupational groups was generally perceived as beneficial. An official stated that it was good to have position descriptions to set standards and that these position descriptions ought to be used as a 'starting point' and 'basic guideline' (R7). Another official pointed out that it was particularly helpful during job interviews where the terms of reference for a particular position were based on the job description (R10). The comprehensive list of position descriptions originating from the PCS would serve as a directory for organisations to pick and choose positions and their requirements in the future.

Recruitment, Selection and Promotion System

The recruitment, selection and promotion component of the PCS sought to enhance professionalism by placing the right person in the right position by matching qualifications to the position's requirement. This reinforced the key tenet of TPA, which sought to reduce the inefficiencies of patronage appointments by instituting a system of formal appointments of staff based on knowledge and expertise required for specific positions. The comprehensive job descriptions provided a basis for the recruitment of people. The key strategies that this component adopted were to have a recruitment policy that would allow selection of the most suitable candidate for a position and a promotion system based on merit. Overall, the recruitment, selection and promotion component was viewed positively by the civil servants. Figure 6.7 shows the responses of the civil servants to the survey related to this component. Almost 70 % of respondents agreed that

PCS provided equal opportunities for selection PCS encouraged promotion based on merit and not seniority
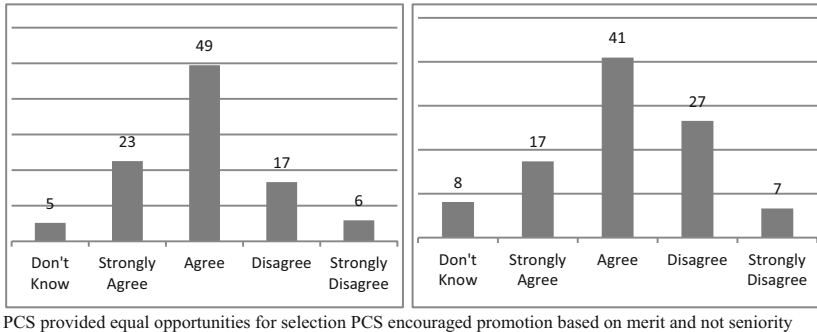
Fig. 6.7   Perceptions of the Recruitment, Selection and Promotion System (%)
Source: Author's own compilation

the PCS provided equal opportunities for selection to a vacant position in the civil service through an open competitive selection system. About 60 % agreed that the PCS encouraged the promotion of civil servants based on merit and not seniority. The PCS reduced the number of years that were required to be served in a position from more than five years to four years for each position, which is a marked reduction from having to serve as many as seven years in a position in the cadre system. With regard to the open competition selection process, it was seen as being a fair and transparent process of selecting candidates. Although it was an improvement over the cadre system where candidates could be appointed directly by the agency or the RCSC to a position, the 'open' competition was still restricted to the civil service only, and did not allow people from outside the Bhutanese civil service to apply for jobs. Restricting recruitment to tenured civil servants is a prominent feature of TPA, as opposed to appointing people on a contract basis under the new public management (NPM) paradigm. Nevertheless, an official of the RCSC Secretariat commented that the open competition selection process encouraged candidates who felt they were suitable and could contribute to the position to apply, and the process has worked reasonably well (R1). There were also some complaints about open competition in the selection process especially at the senior management level. One of the complaints, several officials responsible for the implementation of the PCS noted, was that it led to a loss of professionalism (R14, R16, R22). This was because agencies could not hold back candidates who wanted to apply for a position outside their agency. Open competition selection for

positions in the executive category attracted numerous civil servants with specialised skills. Some examples are those of one of the country's few soil science experts becoming the director of youth and sports and an irrigation specialist becoming director of another department.

Perhaps one of the key changes that the PCS brought was the delegation of authority to agencies to facilitate HR actions. Many of the senior management in agencies who were interviewed agreed that the delegation of authority facilitated most HR actions. One of the main benefits, as pointed out by officials responsible for implementation of HR actions in the agencies, was the reduction in the time taken for approvals of the recruitment process between the agency and the RCSC (R10, R16). But the managers also felt that it was only routine tasks that would have been approved by the RCSC either way, so in many ways, it was only a decentralisation of HR tasks rather than devolution of HR authority from the RCSC to agencies. Besides, the most crucial HR actions, which included the authority to grant meritorious promotion to high-performing staff without having to fulfil the minimum requirement rule, still had to be approved by the RCSC.

Human Resource Development (HRD)

The importance of the qualification criteria was one of the main features of the PCS. It was anticipated that resistance to the PCS would be from those civil servants in the supervisory and support (S) and operations (O) categories who did not possess a bachelor's degree. They comprised almost 80 % of total civil servants at the time PCS was implemented (RCSC 2007). The survey conducted in 2011 revealed that there was not that strong a resistance to the HRD component of the PCS. Approximately 70 % of respondents agreed that the PCS had, in fact, provided opportunities for civil servants to upgrade their qualifications (refer Fig. 6.8). The RCSC implemented various long- and short-term strategies such as allowing civil servants study leave and some funding to undergo an undergraduate degree programme. A substantial number of civil servants without an undergraduate degree availed themselves of the opportunity to upgrade their qualifications. As of June 2011, the RCSC (www.rcsc.gov.bt) reported that there were a total of 433 civil servants undertaking undergraduate degree studies. Prior to the introduction of the PCS, civil servants were not allowed to pursue undergraduate degrees. The number was particularly high in the engineering sector. A manager in the engineering sector who was interviewed said that with the introduction of PCS requiring civil servants to
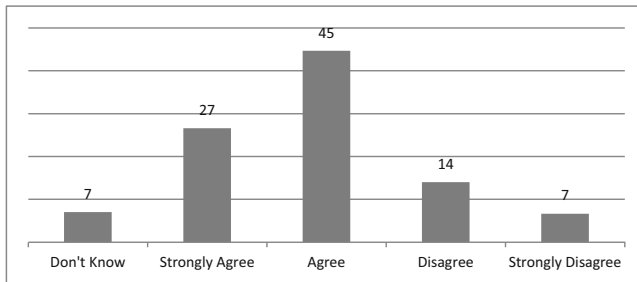
Fig. 6.8   Perceptions of HRD System (%)
Source: Author's own compilation

upgrade their qualifications: 'as of now we have almost 100-plus engineers alone pursuing undergraduate degree' (R12). Such opportunities helped in improving perceptions towards the PCS, as reflected in Fig. 6.6 which shows that close to 70 % of respondents thought the PCS provided opportunities to upgrade qualifications and enhance competencies.

Paradigm-Shift Reforms

Performance Management System

The performance management system of the PCS sought to improve performance in the Bhutanese civil service by encouraging a merit-based system by linking individual performance to promotion and rewards. This reflects key ideas of the NPM paradigm where promotions and other rewards and incentives are closely tied to performance based on new institutional economics and rational choice ideas. The performance management system component of the PCS was introduced to overcome shortcomings of the seniority-based cadre system. Under the cadre system, performance management was based on TPA principles where the focus was on processes that were guided by rules and regulations that ensure uniformity and performance appraisals were mostly based on formal education, merit and tenure. The PCS looked towards NPM-related private sector practices and sought to produce better and more desirable outputs. Organisations were also encouraged to establish standards and measures of performance with clearly defined goals and performance indicators. In the implementation of the PCS, among the four components of the PCS that were implemented, excluding the remuneration and benefit component which was not

approved, the findings show that the performance management system was the most unsuccessful. According to officials responsible for formulating and implementing the PCS, although the instruments of the performance management system itself were thought to have been 'good, objective and transparent' (R11) and 'at par with other international systems' (R21), it was in the implementation that issues were flagged (R21). Three broad reasons explaining challenges in the implementation of the performance management system can be identified. The first reason for the failure of the performance management system, as explained by the international advisor, is that the forms were perceived to be 'difficult' and 'unfriendly' with too many details and information required (R22). No training was provided to help either supervisors or employees to use the forms and understand certain concepts and terms such as targets, key performance indicators and core competencies. A second reason, as noted by another official responsible for the implementation of the PCS, is that principles such as equal pay for equal value of work were not applied, which affected the enhancement of performance in the civil service (R13). There was a lack of valuation of the work and nothing was measured, resulting in promotions based on seniority instead of merit. Third, the performance management system as envisioned in the PCS involved a major cultural change in the Bhutanese civil service. While we shall observe more of the cultural factors when examining the challenges of rating performance in the following subsection, many of the officials involved in the PCS formulation admitted that cultural changes were not considered when designing the reforms (R7, R11).

Identification of Performance Targets
With the performance management system of the PCS, identifying targets was a crucial element in determining and managing outputs. However, in implementation of the performance management system, there were difficulties in identifying performance targets for individual employees. One of the reasons for this was partly because of the uncertainty around government funding, which was dependent on international donors, especially for capital expenditure related projects. A case in point to illustrate the uncertainty of funds is a recent example where the Government of India had committed to supporting the 11th Five-year Plan which started in July 2013.[2] In October 2013, the Finance Minister of Bhutan stated that: 'We've informed the Government of India, and they've also committed to release the money but I have no idea when the money will actually

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[2] The Government of India has consistently been Bhutan's largest donor ever since the 1960s when Bhutan embarked on its economic development plans.
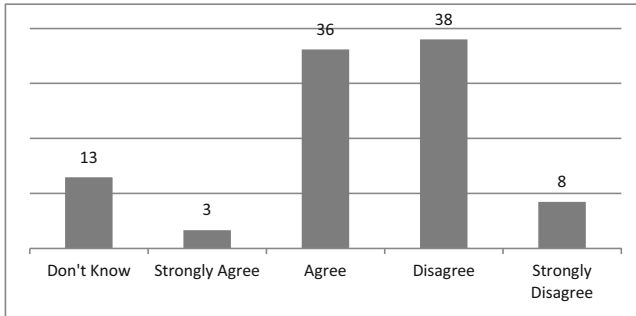
Fig. 6.9 Adequate support and resources are provided to achieve the performance targets (%)
Source: Author's own compilation

arrive' (Kuensel 2013). Another reason can be found in difficulties in the identification process itself. As one of the officials commented, civil servants found it 'very difficult' to make individual plans (R17). Heinrich (2007, 28) contends that one of the challenges confronting public managers is that there are problems in reaching 'clearly defined, verifiable public objectives' performance measures.

On the part of management, an official noted that there was a 'lack of commitment' in the agencies to identify performance indicators (R3). A reason for this, another official explained, could be that agencies were not given adequate financial and other resources to incentivise people to perform (R9). This finding links to the conclusion made by Dahlstrom and Lapuente (2010, 595), in their study of cross-country differences in performance-related pay, where they conclude that the main obstacle in the implementation of high-powered incentives in an organisation is 'lack of trust' and the failure of managers to 'provide credible commitments'. This limitation is reflected in the support and resources provided to achieve performance targets. Close to 45 % of respondents disagreed with the statement that they were provided with adequate support and resources to achieve performance targets (refer Fig. 6.9).

Rating the Performance of Bhutanese Civil Servants
A key part of the performance management system of the PCS is rating the evaluation. In rating civil servants, managers found it challenging to objectively evaluate performance. Agencies were not able to identify clear performance targets, and as one of the officials commented, too many

factors were required to be evaluated (R9). The performance review form required ratings of both the quantity and quality of each of the three performance outputs that employees had to identify and ratings of six core competencies required to perform the job. In addition, the manager had to provide comments on special achievements or needs of the civil servant in the performance review form. Officials responsible for the implementation of the PCS pointed out similarities to the cadre system where performance ratings were conducted at the last minute and in some cases ratings for three to four years were done together in a single sitting (R1, R9). Managers also complained that giving a negative or poor rating was not easy in the Bhutanese civil service (R4, R8). There was no incentive for managers to rate others negatively and those managers who were objective and rated some performances as either 'poor' or 'fair' were criticised for being too harsh. An official from the RCSC Secretariat commented that the promotion rules were perceived as being geared towards all civil servants having a minimum of a 'good' rating, which was one of the major flaws with the performance management system (R7). Another official with the RCSC Secretariat also pointed out that the setback in the promotion rules was visible in the number of civil servants receiving an 'outstanding' in their ratings. A manager commented that almost 90 % of the people in her agency were outstanding (R23). One of the reasons that managers gave their staff an outstanding rating was because the performance ratings are used as a main basis for comparison when applying for various human resource actions such as competing for vacant posts through open competition, training opportunities and secondment opportunities (R9).

Some of the new features introduced in the performance management system of the PCS were the requirement for a civil servant to do a self-rating of his own performance and then to sit with the manager and do a face-to-face rating of each of the evaluation factors. The employee's self-rating did not count towards the final evaluation and was to be used as a basis for managers to give final ratings. In the implementation of the self-rating, some senior executives complained that employees tended to rate themselves 'outstanding' and it put the manager in an 'awkward situation' where they felt obligated to give a similar rating (R6). The face-to-face evaluations rarely took place (R8, R13). The main reason for the failure of face-to-face discussions between managers and employees to determine performance ratings was because in Bhutanese culture, subordinates hardly ever challenge the supervisors' decisions (R14). In a similar study

conducted by Vallance (1999, 91) of performance appraisal processes in Singapore, Thailand and the Philippines, it was found that ratings were not openly shared between supervisors and employees in order to either 'save face' or 'avoid the possibility of confrontation'. Vallance (1999, 79) also points out that modern appraisal systems are based upon Western notions of 'individual achievement and performance' and the application of performance appraisal systems outside a Western context offers a useful way to study the possible effects of culture on administrative practice. The pervasive influence of more traditional Bhutanese culture and the small society within which the Bhutanese civil service operated were also pointed out as being challenges that affected the implementation of the performance management system in the PCS. It was a major challenge for managers to objectively evaluate their staff. Some managers who initially conducted their evaluations objectively were criticised by their staff for not being 'compassionate' enough because the evaluations affected promotions and other benefits. One of the managers termed this a case of 'compassion misplaced' (R1) and there was an inherent damage to the meritocracy of the system by way of not distinguishing performers from non-performers. The smallness of the Bhutanese society affected the implementation of the performance management system in numerous ways. One of the officials involved in the reform formulation pointed out that in Bhutan the 'performance appraisal system exists in a larger social context where we know each other' and 'it will always be a challenge to really segregate the personal from the professional' (R11). In another country's example, O'Donnell and Turner (2005, 624) point to the example of the implementation of performance agreements in the Pacific micro-state of Vanuatu, where cultures of 'consensual decision-making' and 'embarrassment avoidance' spill over from society into organisations of the state. The evidence on the implementation of the performance management system demonstrated that Bhutan's public administration system encouraged mediocrity rather than meritocracy, especially when there was no discrimination between levels of performance.

Remuneration and Benefits

The section of the PCS that was not approved was the remuneration and benefits component, where the pay of an individual was to be directly linked to performance. The remuneration and benefits component of the PCS sought to inject NPM principles into Bhutan's public administration
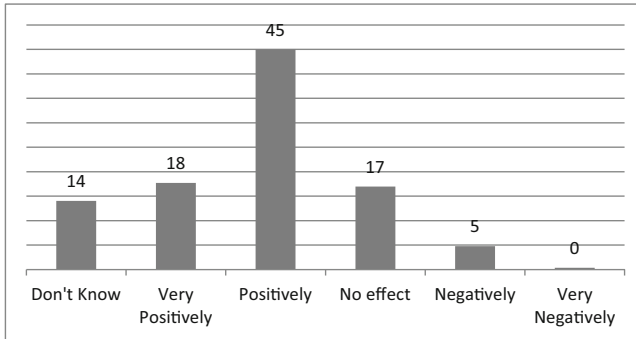
Fig. 6.10   Perceptions of the Remuneration and Benefit System (%)
Source: Author's own compilation

by linking resources and rewards to performance. Performance-based pay based on market-like mechanisms to increase employee performance and organisational productivity would have been a move away from the tenure-based pay system of the TPA. One of the main reasons for its rejection was the likelihood of high financial implications because managers would be allowed to give as many as two to three performance increments in a year to employees. An official pointed out that there was also concern that 'everybody will get them, and that it will be the norm rather than the exception', leading to a high wage bill and burdening the government exchequer (R14). Another official also commented that it was thought that it would have been difficult to implement the remuneration and benefits component since it would 'not be acceptable from an equity point of view' and would be seen as favouring a certain group over another (R9). Figure 6.10 shows how perceptions would have been affected if the remuneration and benefits component had been approved. Over 60 % of respondents thought that it would have positively affected outcomes whereas about 15 % said that it would have *no effect* and less than 10 % thought it would negatively affect the outcome of the PCS.

SUMMARY OF THE KEY FINDINGS

In this chapter, the dynamics of the PCS has been examined by evaluating components of the PCS based on two main aspects, the policy process of the PCS and the type of policymaking. The policy process aspect of the

PCS included findings on the formulation, transition management and implementation of the PCS. In the formulation of the PCS, it was clear that the scope of the reform changed dramatically from when the idea of the PCS was first conceived in 1999 to when it was approved for implementation in 2006. Some of the major issues that were identified in the formulation stages were that capacities of the focal persons in some of agencies were weak and that opportunities for stakeholders to provide feedback were not in place. In the management of the transition from the cadre system to the PCS, the job-mapping exercise, which in fact should have been carried out before the approval of the PCS, was not given due importance and many discrepancies were observed. The creation of HR divisions in the agencies helped in ensuring that the PCS was implemented but some agencies had inexperienced HR officers. When it came to implementation of the PCS, clearly there were gaps observed between the ideal, reflected through the objectives of the PCS, and the reality, which is seen in the implementation of the various components of the PCS.

The experience of the PCS that highlights the difference between the ideal and reality is helpful in Chap. 7 in explaining why some public administration systems are hybrid and layered. Table 6.1 shows a summary of the differences between the ideal and practice in the implementation of the PCS. The table differentiates the two types of policies in the case of the PCS, normal policymaking which includes components of the PCS that sought to bring changes in the Bhutanese civil service within the characteristics of the TPA paradigm, and paradigm-shift policies that include those components of the PCS which attempted to move from the TPA paradigm to the NPM paradigm by incorporating new characteristics. The first component of the normal policymaking type of the PCS is the classification of positions and occupational groups, which was formulated with the objective of establishing a fair and equal system through the principle of equal pay for equal value of work. The strategies included dividing all positions into four categories and 19 occupational groups and compiling comprehensive job descriptions of each position based on qualifications, knowledge and skills required. In the implementation, findings showed that classification of positions brought about some uniformity in grades that were disparate under the cadre system. Having job descriptions for all positions also set a standard and was a useful starting point for various human resource actions. However, not all job descriptions were constructed properly, making it difficult to implement them, and also certain positions were not included in the position directory. While the

Table 6.1   Summary of key findings

Type of policy	Component of the PCS	Ideal/rhetoric (objectives of the PCS)	Reality (implementation of the PCS)
Normal policymaking (TPA → TPA)	Classification of Positions and Occupational Groups	Establish a fair and equal system through the principle of equal pay for equal value of work: • by dividing all positions into 4 categories and 19 occupational groups • by comprehensive job descriptions of each position based on qualifications, knowledge and skills required	• brought about uniformity in disparity of grades • set standards and was a good starting point • poor quality of the job descriptions made it difficult to implement • certain positions not classified • requirement of minimum qualification led to stagnation
	Recruitment, Selection and Promotion	Enhance professionalism by placing right person for right position by matching qualification to its requirement: • through a competitive, transparent and fair selection system • by providing equal opportunities for selection to a vacant position	• reduced the number of years for promotion • fair and transparent system of selection • loss of professionalism • delegation of authority was facilitated
	Human Resource Development	Provide the right skills, knowledge and qualifications by facilitating training and development activities	• allowed people to upgrade their qualifications

Table 6.1   (continued)

Type of policy	Component of the PCS	Ideal/rhetoric (objectives of the PCS)	Reality (implementation of the PCS)
Paradigm-shift policy (TPA → NPM)	Performance Management System	Encourage merit-based system by linking individual performance to promotion and rewards: • ensuring that performance targets are aligned to organisational goals • through the processes of performance planning, monitoring, reviewing and recognition	• identification of targets/outputs difficult • processes not followed, e.g., periodic ratings, face-to-face ratings • negative ratings difficult to implement • too many outstanding ratings • evaluations not objective
	Remuneration and Benefits	Pursue efficiency through the effective use of financial and human resource through incentives such as performance bonus, etc.	• could not be implemented due to financial implications

Author's own compilation

emphasis on qualifications for each position ensured that positions were filled by qualified people, it did lead to stagnation of civil servants at certain position levels.

The second normal policymaking component of the PCS was the recruitment, selection and promotion component. It sought to enhance professionalism in the Bhutanese civil service by placing the right person in the right position by matching qualifications to job requirements through a competitive, transparent and fair selection system, and by providing equal opportunities for selection to a vacant position. In its implementation, the recruitment and selection process was perceived as being a fair and transparent system of selection. The promotion criteria also reduced the minimum number of years of experience required in a particular position. The civil servants felt that the PCS facilitated the delegation

of authority to agencies for certain human resource-related actions such as appointments and transfers. A major implementation issue with the open competition process was in the loss of professionalism as applicants with a specialised skill or qualification could not be denied an opportunity to apply for another vacant post which may or may not require that particular skill or qualification.

The third normal policymaking was the HRD component of the PCS, which strived to provide the right skills, knowledge and qualifications by facilitating training and development activities. Findings revealed that civil servants were given the opportunity to upgrade their qualifications. The paradigm-shift policies of the PCS are the performance management system and the remuneration and benefit components. The remuneration and benefit component was designed to pursue efficiency in Bhutan's civil service through effective use of financial and human resources through incentives such as performance bonuses. It was not approved for implementation due to the financial implications of such a reform. Where the PCS faced huge implementation challenges was with the performance management system. The objective of the performance management system was to encourage a merit-based system by linking individual performance to promotions and rewards through the processes of performance planning, monitoring, reviewing and recognition to ensure that performance targets were aligned with organisational goals. In its implementation, civil servants found it difficult to identify targets. In appraisals of performance, processes such as conducting periodic ratings and sitting together to determine targets, and rate performance were not followed. Managers found it challenging to give negative ratings to their subordinates, leading to a situation where there were numerous 'outstanding' ratings.

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Dynamics of the Position Classification System Reforms

DRIVERS OF CHANGE OF THE PCS

Ideas and Symbolism

The position classification system (PCS) started off as an appendage to the cadre system, and then slowly it became a larger reform initiative. As pointed out by officials involved in the reforms, other reforms were also initiated under the banner of the PCS (R7; R11). In this sense, the PCS presented itself as a window of opportunity for policymakers in Bhutan to include other reforms required in the system. Such methods of policy formulation have been labelled by Kingdon (1995, 165) as 'policy windows' which are defined as 'opportunities for advocates of proposals to push their pet solutions, or to push attention to their special problems', and such moments are normally presented when the three streams of the multiple streams framework—problem, politics and policy—are either coupled or joined together. In the comprehensive manner that the PCS was finally shaped, numerous other factors beyond just the changes taking place in the public sector were influential in determining the final contents of the reforms. At the time work on the PCS started in the year 2000, there were numerous political and socio-economic changes taking place in Bhutan. In the field of policy analysis there was increasing acceptance of the reintegration of political and economic variables as important factors for agenda-setting. The idea of the 'political business cycle', which

suggested that the economy had its own internal dynamics and occasionally was altered by political interference, gained momentum over the 'resource-dependency model' of the mid-1980s and the 'convergence theory' prior to that, as the dominant theories of agenda-setting (Howlett et al. 2009). The shift in conceptualisation of the PCS as a position description exercise to its transformation as a major comprehensive reform was against such a backdrop of political and socio-economic changes taking place in the country. Part of the criticism of the PCS was due to this transformation, which made the agenda-setting process unclear for those involved in the formulation of the PCS.

By the time the reform was in its final stages, the PCS was claimed to be a 'new civil service order', and it took on a symbolic flavour with a lot of hype. It was perceived as a major reform initiative seeking to address the limitations posed by the cadre system as well as addressing emerging issues. According to Christensen and Laegreid (2003, 3) such predominance of symbolic gestures in administrative reform policies is 'related to the general and indirect focus on processes, personnel and structures' and often presented with 'hype, rituals, myths, ceremonies, metaphors, and rhetoric of norms and values'. The PCS also claimed to be based on an 'internationally recognised system'. In many ways, such a claim was used to legitimise its application. Common (2001, 225) in his study of the scope and penetration of new public management (NPM) in three Southeast Asian countries, concluded that 'being seen to imitate NPM' is more important than its implementation. Similarly Andrews (2013, 2) also finds that many developing countries introduce reforms as 'short-term signals'. Such signals are often to ensure support and legitimacy from external agents on whom these developing countries depend for credit and funds. Under such circumstances, developing countries commit to best practices. However, Andrews notes that implementing best practices can be problematic because they do not fit the developing countries' contexts since the reforms are designed with limited attention to context, which makes their application difficult. Lane (1997, 13) warns that when public sector reforms turn towards symbolic policymaking where these reforms are developed into a 'public pathology, where people talk about what is going on without really knowing why things are going on and how the outcomes are related to the efforts', then the goals of the reforms will be impacted. Clamour for the change that the PCS was supposed to usher in and the actual perception of the change

as being 'old wine in a new bottle' (RS2) or 'same as the cadre system' (R8) also led to negative perceptions of the PCS.

Stakeholder Participation

In the formulation process of the PCS, while the Royal Civil Service Commission (RCSC) formed various committees and task forces with members from various sectors, there was an apparent lack of involvement of the primary stakeholder, that is, the civil servants themselves. A large majority of the civil servants who responded to the survey were not given the opportunity to provide feedback during the formulation process of the PCS. Ideally, the reforms should have been seen as coming from within so that people were able to take ownership of them. Experiences with the implementation of institutional reforms in developing countries reveal that although individual champions and heroes are considered important to the success or failure of institutional reforms, change normally requires wider engagement that involves 'coordinated interaction of many capabilities that are seldom found in isolated individuals or narrow groups' (Andrews 2013, 89). A senior official commented that 'no one should say it is RCSC's PCS, they should say that we all contributed towards it' (R6). Instead, the PCS was perceived as being initiated by the RCSC (by 64 % of the respondents to the survey), and only 7 % of respondents thought that the civil servants themselves were responsible for the PCS. Many scholars have advocated more participatory forms of policy formulation and decision-making processes, arguing for collaborative governance processes that promote collaboration among multiple stakeholders and public agencies (Ansell and Gash 2007; Bingham et al. 2005). The stakeholders usually consist of a network of government, businesses, civil society and citizens. These actors operate through informal and formal institutions through interdependent relationships to achieve objectives by collaborating with each other (Bevir and Richards 2009). This interactive governance process differs from traditional public policy processes where stakeholder participation occurs upon development of a policy (Edelenbos and Klijn 2006). The demand for collaboration, therefore, increases 'as knowledge becomes increasingly specialised and distributed and as institutional infrastructures become more complex and interdependent' (Ansell and Gash 2007, 544). Proponents of a

collaborative approach to the policy process argue that such processes help in the identification of concerns and objectives (Renn et al. 1993, 90), and also maintain accountability, educate citizens and foster understanding of competing interests (Bingham et al. 2005, 554). More specifically, in the field of public administration, such a participatory form of policy process has been coined by researchers as 'collaborative public management' and describes the process of solving problems by multi-organisational arrangements rather than by single organisations (Ospina and Foldy 2010, 293). Lowndes and Skelcher (1998, 316) note that the understanding of interactions between organisations originated from two principles of 'competition' and 'collaboration', and that collaboration is either a response to threats or an opportunity to expand domains, influence, and secure resources. Furthermore, McGuire (2006, 39) contends that 'communication among employees' is one of the foundations of purposeful organisational behaviour, and that inclusive strategic planning and management are also important. He cautions, however, that the presence of collaboration does not automatically equate to the success of a programme, and that collaboration also has its drawbacks (McGuire 2006). Such an interactive approach can be quite cumbersome and costly with participants not being able to agree on common goals and objectives, and often the dynamics of the relationships within the collaboration are unequal and lack trust and information about linkages (Bevir and Richards 2008; McGuire 2006).

The lack of opportunity for feedback affected the implementation of the PCS in Bhutan and increased the time lag for the PCS to be accepted. Senior officials and managers involved in the formulation and implementation of the PCS also agreed that there was a lack of consultation with civil servants:

> I think people felt that there weren't enough consultations given that this had huge implications for each and every civil servant. And when you are bringing on reform of that magnitude that is going to impact each and every one I think much more consultation could have been done so that we would have benefited from the reform (R4).

Officials responsible for the formulation of the reform also admitted that sufficient education about the reforms was not conducted, and that consultations held by the RCSC were mostly based on broad principles and policies rather than on specifics of the reforms (R7).

Policy Transfer

The findings of the research point to the centrality of policy transfer. Policy transfer is a 'process in which knowledge about policies, administrative arrangements, institutions etc. in one time and/or place is used in the development of policies, administrative arrangements and institutions in another time and/or place' (Dolowitz and Marsh 1996, 344). It is also 'a form of decision making by analogy, using another entity's experience as a source of ideas and evidence' (Mossberger and Wolman 2003, 428). In general, such cases of policy transfer normally tend to include four major processes: learning, emulation, hybridisation and inspiration (Evans 2009; Marsh and Sharman 2009). The core components of the PCS such as classification of the major occupational groups, position descriptions, the performance management system and decentralisation of recruitment and selection systems of the PCS were based on best practice from experiences in developed countries. With the PCS, the main objective of the government was to resolve some of the underlying issues around the cadre system and also to reduce issues pertaining to the patronage system. In its endeavour to achieve this objective, it also incorporated major reforms that brought in aspects of best practice from countries that were perceived as being advanced in terms of their systems. In general, however, the issue of policy transfer is quite important in the field of public administration because a majority of countries tend to adopt public sector practices from developed countries, or from countries that have initiated public sector reforms successfully. The impetus for policy transfer is due to various factors. Learning from practices seen to be successful in other countries is appealing. This is because it reduces uncertainty and risk surrounding reform to a certain extent and also because it is easier to persuade policy-makers to put a reform item on the agenda without having to undertake a thorough study of the problem that needs to be addressed (Mossberger and Wolman 2003). Another impetus for policy transfer sometimes occurs when policies are introduced for fear of falling behind neighbouring countries (Evans 2009). Globalisation appears to have increased the policy transfer process (Evans and Davies 1999). Pierre (2013, 119) contends that globalisation can be a 'powerful driver of administrative reform'. International institutions, dominant economic and military countries, transnational networks and other discourse communities are some of the key players who resort to policy transfer practices (Christensen and Laegreid 2003). In the case of developing countries,

multilateral and bilateral developing organisations play a major role in shaping the ideas, opportunities, demand and supply of public sector institutional reforms (Andrews 2013).

The PCS was seen as an answer that could address the changing needs of the public administration and the developmental challenges in Bhutan. The PCS included the policy transfer processes of learning, emulation and a certain amount of hybridisation. Three main agents of policy transfer of PCS can be identified. First, many of the officials involved in the conceptualisation of the PCS had some formal training or qualifications from the USA and were therefore exposed to its public administration. Some of the officials involved in the formulation had formal qualifications from countries such as Australia, the UK and Canada. Second, study visits by those officials involved in the reform formulation were made to countries within the Asia-Pacific region to countries such as Australia, New Zealand, Singapore, Thailand and the Philippines to examine aspects of their systems. Third, international advisors from New Zealand and other countries also played a role in helping bring ideas and concepts that they were familiar with either through their experiences or their perceptions of what was deemed as best practice in the field of public administration. Such international policy transfers that involve transnational transfer of networks rather than a simple bilateral exchange between countries are quite common (Stone 2007).

There were numerous problems with respect to the PCS as a case of policy transfer. Most of these issues came about because of the context in which the PCS was applied and because of the cultural differences that became clear with the introduction of the PCS. As with the case of most policy transfers, the processes involved were not always straightforward. One of the prerequisites for policy transfer to be successful is that countries must have a good idea of the policy in the originating country and the experiences of other countries with similar reforms (Mossberger and Wolman 2003). Governments must also be clear about the problem to be solved at home and must consider experimenting with various methods before deciding on the combination that best addresses their needs (Jones and Kettl 2004). There are variations in contexts between the countries from which reforms are transferred and the country adopting the reforms. The differences are more pronounced when considering the application of NPM-type reforms from developed countries to developing countries or from Western Anglo-Saxon countries to Asian countries. Various studies on the transfer of NPM-related reforms to Asian and developing

countries (e.g., Cheung and Scott 2003; Common 2001; Manning 2001; UN 2005) exemplify the significance of the context in the case of policy transfer. Manning (2001, 297) points out that consultants and development agency staff have acknowledged that NPM is not appropriate for many developing countries where the public sector is 'politicized', and public expectations of the government differ significantly for these countries. Similarly, the UN Report (2005, 61) also points out that developing countries are at different 'stages of the development process'. Furthermore, Andrews (2013, 28) notes that institutional reforms are pursued in countries with 'problematic contexts'. Significant contextual differences also exist in Asian countries. For instance, Cheung and Scott (2003) point out that the socio-political realities of Asian countries where state institutions have a dominant role present a fundamental misfit with the logic of NPM, which emphasises the influence of the market. Similarly, Common (2001, 255) notes that NPM was also used as a 'rhetorical tool' in some Southeast Asian countries as imitating NPM was perceived to encompass 'fashionable ideas and theories', and that in reality it was only certain aspects of NPM, such as performance measurements and use of budgets for control and planning, that were implemented. Olsen (2005, 16) warns that adopting Anglo-Saxon prescriptions and culture within tight budgetary constraints and short time frames is likely to have 'detrimental' and 'disastrous' consequences.

In the formulation of the PCS, the Bhutanese government relied quite heavily on international advisors and consultants for ideas and best practices. Andrews (2013) points out that often external agents either ignore or are unable to see the contextual realities of the reforms applied in countries. These external agents focus only on what is visible, thus undermining opportunities and constraints in the implementation of reforms. Andrews, however, also notes that it is not solely a problem for external agents, as even those who are affected by reforms are unable to visualise the contextual elements. Contextual factors are not defined and explicitly mentioned in reports and studies (Andrews 2013).

Change Management

An important component to ease transition into the era of the new reform that was overlooked was preparing the civil servants to adapt to the new changes. Officials involved in the formulation of the PCS commented that the PCS was perceived as being a major reform situated 'within a larger

social context' (R11) and one that required people to 'change their mind-set' in a big way (R7). Pollitt (2009, 286) agrees that structural reforms seldom take place in a 'vacuum' and there are other things going on at the same time. Generally, the pace, magnitude and importance of organisational changes have increased considerably in recent years (Burnes and Jackson 2011). When organisations initiate such change, it is difficult to monitor the change taking place or determine the amount of change required (Young 2009). Based on the findings from Chap. 6, it is evident that the transition to the PCS was not managed well. At a more conceptual level, a reason that most change initiatives fail is because of misalignment between the content of the change and the organisational goals and values (Attaran 2000; Burnes and Jackson 2011; Hardy 1996; Self and Schraeder 2009). Kotter (1995) states that only a few change efforts are successful and successful changes are often associated with those who understand that the change process involves a series of phases which require considerable time. Towards successful change, Kotter (1995) proposes eight steps to transforming an organisation: establishing a sense of urgency, forming a powerful guiding coalition, creating a vision, communicating the vision, empowering others to act on the vision, planning for and creating short-term wins, consolidating improvements and producing still more change, and institutionalising new approaches. With the PCS, there appeared to be a lack of clarity in the implementation strategies, leading to disparities in the implementation. The lack of clarity was evident in the PCS, as one official stated: 'I think there is no one clear view of the PCS. So depending on who you talk to, you get different versions of PCS' (R4). The fault was with those agencies and individuals involved with the PCS. It was left to these focal persons and resource persons to explain the purpose of the PCS and prepare civil servants for the new system.

The implementation of the PCS also suffered because of the lack of capacity to manage the reforms. In particular, there was a lack of in-house experts to provide clarifications to issues raised by agencies. Officials responsible for implementing the reforms acknowledged that the PCS was a major reform initiative and that in-house capacity to implement the reforms was weak, and they had to handle the reforms hands-on without proper expertise (R7). Basically, to enhance implementation of reforms, it has been suggested that reforms should have a clear connection between goals and the means to achieve these goals (Winter 2003) and the implementation structure and processes should be simple (May 2003). Individuals must be convinced about the need for change by crafting a

compelling vision for it and managerial leaders must develop a course of action or strategy for implementing change (Fernandez and Rainey 2006). The PCS faced 'resistance' from both civil servants and decision-makers (R2). An official responsible for the formulation and coordination of the PCS pointed out that a large majority of civil servants did not accept the reforms and complained that the PCS brought in changes that made jobs 'unstable because of the requirements of all those criteria of the PCS' (R21).

Forms of Interaction Between Incremental and Transformational Reforms

This section examines the dynamics of the PCS based on the type of reforms each of its components fit under, that is, either as normal policymaking (incremental reforms) or as paradigm-shift policy (transformational reforms). The notion of normal policymaking and paradigm-shift policy has been particularly helpful in providing some insights about the dynamics of PCS and its application in a hybrid Bhutanese public administration. These concepts are based on Hall's (1993) work on paradigms in public policy making where he identifies three levels of order of change: the first- and second-order changes are classified as 'normal policy making' and the third order change as 'paradigmatic change' policy. According to Hall (1993, 280), normal policymaking displays features of 'incrementalism, satisficing and routinised decision making', whereas paradigmatic change reform is more 'problematic' and likely to involve 'accumulation of anomalies, experimentation with new forms of policy and policy failures that precipitate a shift in the locus of authority over policy and initiate a wider contest between competing paradigms'.

Normal Policymaking or Incremental Reforms

Generally the normal policymaking components of the PCS did not face major challenges in their implementation in Bhutan. This set of reforms made incremental changes to the Bhutanese civil service. A majority of reforms are either incremental changes or improvements made to the existing system. Incremental reforms, in general, result in positive outcomes towards getting the job done (Andrews 2013). An area where the PCS was generally quite successful was in the implementation of the recruitment, selection and promotion component, with only minor

problems occurring. One of the problems pertained to the open competition selection process, where there were complaints about not being able to select people with the right qualifications. Another problem was that promotions were still based on completion of the minimum number of years of service in a particular position rather than on performance. Nonetheless, civil servants were quite satisfied in general with the open competition system, saying that it was fair and gave everyone an equal opportunity to apply for a position. Similarly, the human resource development (HRD) component of the PCS was also perceived as a success, and it provided opportunities to enhance skills and qualifications. An area where there were some mixed results was in the classification of positions and occupational groups and the performance management system. The PCS did not change dramatically from the cadre system, deviating only slightly from the grading system prevalent then, which in hindsight was a fairly good transition strategy. So in that respect it was moderately successful.

The major occupational groupings were also fairly comprehensive and covered a range of occupations. Some problems that emerged were due to the specifics of the descriptions of the jobs and the ability and knowledge to perform the job. One reason for the problem was that positions were not adequately described by agencies, thus failing to correctly specify the responsibilities to be performed. The other reason is that a lack of clear understanding of what organisations are required to do rendered organisations unable to predict work outputs. Similarly, in the case of the PCS in Bhutan, there were clearly issues regarding the identification of performance targets and setting individual objectives. The inability to identify organisational goals also trickles down to the individual level and makes it difficult for any sort of performance evaluations to be conducted effectively.

Paradigm-shift Policy or Transformational Reforms

Before the introduction of the PCS in 2006 and democracy in 2008, the public administration in Bhutan possessed characteristics of the traditional public administration (TPA) paradigm and some aspects of the patronage system which was a remnant of Bhutan's strong monarchical traditions. With the introduction of the PCS, while some of its core components such as the occupational groupings and the recruitment and selection systems were still mostly TPA in nature, while the performance management

component was largely influenced by the NPM paradigm with a strong focus on outputs. Previously, we saw that the NPM paradigm is largely a derivative of combinations of characteristics of the economic market model and market-driven styles of management. It is based on economic ideas such as competition, incentive structures and consumer choice, and the market-driven style of management which emphasises features such as contracts, performance targets and customer service. Under the NPM, allocation of resources and rewards was closely aligned to measured performance (Hood 1991) and involved a shift in the awarding of incentives to an emphasis on pecuniary-based performance incentives (Dunleavy et al. 2006).

The components of the PCS which were successful were those that fit within the TPA framework. Those that did not fit the TPA framework, such as in the case of the performance management system that emphasised NPM output-based performance, however, were not as successful. The PCS, through its performance management system and remuneration and benefit components, tried to bring about a change in the professional ethos by focusing on an output orientation by aligning organisational objectives to individual outputs. In attempting to do so, there were caveats in the process, for example, the emphasis on an individualistic performance appraisal system, which brought to the fore the mismatch between the performance management system and its application within the context and culture of the Bhutanese public administration system. The importance of the institutional context and national culture within which public sector reforms, particularly in the case of NPM, are applied has been stressed by numerous researchers (e.g., Brandsen and Kim 2010; Capano 2003; Common 2001; Hajnal 2005; Halligan 2001; Pollitt and Bouckaert 2011). Pollitt and Bouckaert (2004, 39) argue that accounts of public sector reforms tend to overemphasise the characteristics of reform instruments and ignore the importance of contextual differences in public sectors, even though there is enough evidence to support the fact that 'implementation habitats' make a huge difference in the effects of the reform. The assumption of the 'universal applicability' and 'unilinear development trend' of NPM as the 'one best way of modern public administration' has also been identified as problematic because it ignores the permanent and deeply rooted differences in national reform paths and patterns of various countries (Hajnal 2005, 496). Experiences in the adoption of NPM reforms, particularly in non-Anglo-Saxon countries, reveal that the significance and application of the instruments vary (Brandsen and Kim 2010; Capano 2003; Torres 2004).

Contexts that Public Sector Reforms are Applied Within

The fact that very little contextual study of the systemic issues and how to situate the PCS within the Bhutanese civil service has been conducted provides an opportunity to study why reforms do not work within particular frameworks. Based on experiences of institutional reforms in developing countries, Andrews (2013) argues that contexts, which manifest in historical narratives, affect many institutional reforms. Andrews (2013, 41) also concludes that 'failures often result from the impact of stubborn contextual constraints that are not effectively considered in most reform designs'. In the Bhutanese case, the failure of the performance management system of the PCS reflects the importance of contextualising public sector reforms. It particularly helps in providing a broad context within which public sector reforms operate, and emphasises the importance of understanding the political or institutional and economic contexts. Before moving on to discussions of the political and economic contexts, it must be remembered that Bhutan is a small nation-state with approximately 700,000 people, and with the size of the civil service at 24,000 as of 2012 (RCSC 2013). Wallis (2004, 223) notes that studies have shown that 'administrative systems of small states have distinctive features arising from having small populations and other factors such as vulnerability to intervention from larger states, and economies that are highly dependent on outside forces'. Other studies on small states (e.g. Brown 2010; Kattel et al. 2011; Randma-Liiv 2010) also point to various contextual and cultural differences of small states as opposed to larger states. One of the main differences is a culture of personal relationships within the public administrative system and also a limited pool of skilled human resources. The effects of a culture of personal relationships can be observed when we examine the implementation of public sector reforms within the cultural context.

Political Context

Within the political and institutional contexts, at the time work on the PCS started in the year 2000, it was an era of a culmination of various political changes. The most significant development was the devolution of powers in 1998 by the king to ministers elected by the Parliament. The decentralisation efforts and corporatisation of many state-owned

enterprises started in the late 1980s and by the early 1990s had stabilised and some mega-hydropower projects were reaping large revenues for the country. Despite these efforts, the civil service in Bhutan was largely centralised and hierarchical, with the RCSC playing a prominent role as the central personnel agency. Studies have shown that in countries that are changing societies with 'colonial imprint in the form of a strong bureaucracy coupled with the post-colonial moves towards indigenisation' faced obstacles to NPM adoption which was based on neo-liberal ideologies (Common 2001, 222). Furthermore, devolution improvement is an important precondition for the successful implementation of performance management-related reforms (Torres 2004). Pollitt and Bouckaert (2004, 43) also point out that 'all other things being equal, reforms in highly decentralised states (whether they be unitary or federal) are likely to be less broad in scope and less uniform in practice than in centralised states', and 'central governments in centralised states tend to be more heavily involved in the business of service delivery than do central government of decentralised states'.

Countries react to public sector reforms differently based on their political context. In a study conducted by Gualmini (2008) of public sector reforms in six countries (France, Germany, Italy, Spain, UK and USA) a couple of differences can be identified based on the clear divide between two clusters of bureaucratic systems in the 1980s and 1990s. Gualmini (2008) concludes that managerial reforms have been mostly consolidated in the UK and USA, and that transition to 'entrepreneurial form of bureaucracy' has been slower and less clear cut in the remaining European countries. Where public administration systems are characterised by organisations with a restricted degree of autonomy, and with stable and cohesive government coalitions, they have been able to introduce radical reforms, as opposed to public administration systems with highly institutionalised organisational cultures based on a strong degree of legalism and formalism, which have acted as a barrier to changes from outside (Gualmini 2008). In another country study, Askim et al. (2010, 234) point out that in the application of NPM-related reforms in Norway, the process of goal-setting is 'ambiguous and partly conflicting', which was not necessarily a weakness. This was because the Norwegian political-administrative system is a 'collaborative decision-making style and consensus-oriented culture and reflected the democratic mode of steering in a pluralistic society' (Askim et al. 2010, 234). The experiences of public sector reform in countries that transitioned

from socialist economies, such as Vietnam and China in Asia and other Central East European countries, also reveal the importance of situating reforms within a political context. In Vietnam, the traditional practices of a socialist state are well entrenched and an elite political culture affected the reform process (Painter 2003). Similarly, China's experience with outsourcing reforms also faced challenges as it had to operate without a framework of accountability and rule-bound government (Jing 2008). Randma-Liiv (2005, 96) also highlights the experiences of Central East European countries and their 'blind admiration' of their Western counterparts, while they lacked proper capacity to implement public sector reforms themselves.

The variations in the implementation of public sector reforms are also quite different in the Asian context. Although Cheung (2005, 258) cautions us not to overgeneralise or overplay local uniqueness, public sector reforms in Asia are 'noted for their features of nation-building and state capacity enhancement which have been motivated by national politics as much as by external inspirations'. Additionally, most Asian countries have inherited 'centralised and hierarchical bureaucratic systems' originating from systems of control devised by former colonial powers or that are products of a search for national unity and social order (Cheung and Scott 2003, 7). Further, many developing countries became democracies in the 1980s which involved establishing traditional political institutions and improving the legitimacy of public administration in an environment where 'contextual factors tend to undermine the performance of public institutions' (Andrews 2008, 171).

Economic Context

The disjoint between the rhetoric of the performance management system and its implementation in Bhutan can be attributed to various factors. Foremost among them is the resource mobilisation factor, which in Bhutan's case was highly uncertain and therefore made it highly challenging to determine performance. In the previous review of the PCS, we observed that civil servants in Bhutan were only filling out the comprehensive performance evaluation forms as a procedure rather than as a tool for assessing performance. This is a syndrome that is observed in most developing countries. The dependence on donors for assistance and the conditions set by most international institutions limit an organisation's ability to define and control programmes and

activities (Grindle 1997). Another key factor was the strong emphasis on hierarchy as well as a firm focus on inputs and the need to follow standard operating procedures in the Bhutanese civil service, which are prominent characteristics of the TPA. Only recently, performance compacts have been developed in Bhutan and signed with agencies, establishing some form of accountability. These performance compacts are recent developments and are yet to be effectively implemented. Similar to most developing countries, the Bhutanese government still operates within tight budgetary constraints. The revenue generated within the country comprises approximately 50 % of GDP and is only sufficient to meet current expenditure. For its capital expenses the government continues to depend on grants and aid from international institutions and bilateral donors. Another important constraint that the PCS operates within is the labour market in Bhutan. An official pointed out that the labour market in Bhutan was small and was not adequately developed to cater to the requirements of the system (R3).

As with the political context, the economic context also affects the way in which paradigm-shift reforms are played out. In the past few decades, the 'hegemonic forces of economic liberalisation, global capitalism and democratisation' have influenced the context of governance reform movements where the 'market' is the 'primary organizing principle of societies' with a 'downsized government that provides basic services' through a 'combination of direct provision, contracting out and partnership with civil society' (Brinkerhoff and Brinkerhoff 2002, 512). Economic and budgetary restraints also affect 'external and endogenous determinants of organisational change,' and among other factors, changes in economic development and economic institutions also influence patterns of administrative reform (Wise 2002, 556). The manner in which public sector reforms react in different economic contexts can be observed in various countries. For instance, Torres (2004, 109–110) points to differences between the Anglo-American and European continental countries' public administrations in that the former is based on 'market-oriented reforms and the management of human resources', and the 'Anglo-American NPM model challenges the traditional core concept of a 'good public sector' in the Nordic countries, the German-Prussian civil obedience to government in the Germanic countries, and the idea that public sector should watch over 'public interest' in the Southern European countries. The enthusiasm for NPM-related reforms has also waned in former communist states in Europe and there is now a realisation that 'each country

has to recognize its own potential and find its own way and not copy business methods and the NPM reforms from the West' (Askim et al. 2010).

Similarly, in the adoption of NPM reforms in Asian countries, Cheung and Scott (2003, 12) point to the 'fundamental inadequacies of a NPM paradigm' which emphasise the market rather than the state. They argue that NPM is a misfit between the logic and socio-political realities of East and Southeast Asia where state institutions have always dominated the market as a 'locomotive of governance and public sector reforms' (Cheung and Scott 2003, 12). Similarly, in developing countries the experiences of implementing public sector reforms are different from in developed nations (Andrews 2008; Jones and Kettl 2004; Nolan 2001). Schick (1998) warns that developing countries should be aware that implementing NPM reforms requires certain important preconditions, such as the presence of an advanced market sector as opposed to a large informal economy. Baker (2004, 43) contends that the different contexts between the developing and developed worlds are attributable to 'different levels of tolerance and expectation of the state, and differing state capacity and resources', and that NPM, in particular, is more oriented towards the 'cost cutting, tax reducing concerns of the developed states, rather than the equally important concern of developing states for capacity building and development'. The UN (2005) study reports that the assumption of 'institutional monocropping' which has been defined as 'the transfer of Western blueprints and models as if they were relevant to all times and places' describes the inappropriateness of NPM solutions to the problems of developing countries. They argue that the stage of development of a country is critical for the effective implementation of a reform. For example, to introduce NPM-related reforms, the country must first institutionalise principles of traditional public administration such as reliability, continuity, equity, probity, accountability and due process.

In a World Bank study conducted by Bunse and Fritz (2012), they stress the importance of political economy factors that favour and hinder public sector reforms. Some of the factors that Bunse and Fritz (2012, 21) identify which hinder public sector reforms, particularly in developing countries, are:

> Disincentives for political decision-makers to reduce rent seeking and privileges enjoyed by individual and groups whose support they rely on, the potential cost of pursuing reforms against bureaucratic resistance, and the fact that political time horizons are shorter than the time needed for most public sector reforms to yield tangible benefits.

Cultural Dimensions

In studying the application of the PCS into the Bhutanese public sector, we saw that an understanding of the local context was important. Another important factor that is essential to understand is related to the culture and values of the public administration system, and how reforms operate within this cultural context. There is a realisation that the study of the culture of a country is important in most social science disciplines. In recent years, culture has been one of the 'research constructs' in areas such as management, psychology, accounting and marketing (Taras et al. 2012, 329). In the field of public administration, Pollitt (2006, 26–28) agrees that national cultures and institutional patterns influence the 'way things are done', and that generic models and techniques, such as performance management, are adapted within different cultural settings. The study of culture becomes even more relevant when assessing policy transfers of public sector reforms. Often the culture between the country from which the reform is borrowed and the country where it is being implemented is quite different, thus affecting the meaning and outcome of the reform. In recent years, as public administration and management discussions have been getting international attention, public management reform literature has become 'culture-aware', and a precondition for better consideration of cultural elements in reforms is a better understanding of culture (Schedler and Proeller 2007, 4). Particularly in the case of NPM, the study of culture has become essential. This is because the NPM implicitly assumes 'cultural homogeneity' and does not differentiate between different cultures (Bouckaert 2007, 32). A few examples illustrate the point of NPM's focus on cultural differences. One of the characteristic features of NPM is management by objectives, which works well in a culture with low power distance, weak uncertainty avoidance and high masculinity on the Hofstede scale. Pollitt (2006, 28) argues that countries with cultures with high uncertainty avoidance and collectivism values are more likely to be less accepting of the 'individualistic aspects' of NPM-type reforms. Bouckaert (2007) points out that Germany and France, which have different cultures from Anglo-Saxon countries, faced challenges with management by objectives reforms. Similarly, the introduction of a performance management reform into a system with a traditionally hierarchical structure may have greater symbolic value as opposed to its introduction in a more egalitarian culture where it may simply be regarded as a technical adjustment to a human resource management tool

(Brandsen and Kim 2010, 372). Studies (e.g., Islam 2004) also show that in parts of Africa and Asia collectivist cultural traditions that conflict with formal bureaucratic institutions influence the ethical performance of civil servants. Therefore when assessing the impact of the PCS reforms, which are based on best practices of public sector systems in other countries, it makes sense to examine Bhutan's culture and its interplay with public sector reforms.

Before we assess the values of Bhutan's public sector, it is important to determine what exactly 'culture' means. Schedler and Proeller (2007, 4–5) contend that in empirical social science the broad definition of culture is hard to grasp and difficult to operationalise, and the concept of culture attempts to explain differences in the behaviour of diverse groups of actors in situations that are objectively alike. In drawing a linkage between the study of culture and organisations, they come up with four approaches that are not mutually exclusive to one another: the sociocultural approach, the culturalist approach, the neo-institutionalist approach and the functionalist approach. The functionalist theories have found many followers in the field of public administration because many reform programmes address the need for a change of culture and depict a vision for the desired administrative culture (Schedler and Proeller 2007). However, in such an approach there is, as Bouckaert (2007, 39) points out, a question whether culture is 'the chicken or the egg' of reform, and whether or not to change culture first and then reform, or first reform and then change culture. We shall see that this question is at issue when considering the adoption of the PCS in Bhutan, as in certain ways it tries to imbibe a culture of performance into the system. Bouckaert (2007, 32) also offers a layered vision of culture, comprising macro, meso, micro and nano approaches to culture from the perspective of public sector reforms. These approaches mainly differ in what they use as the unit of analysis. At the macro level, the unit of analysis is society; at the meso level, it is the administration and professionals; at the micro level, it is the organisation; and at the nano level, it is offices within organisations or particular job clusters. For the purposes of the current book, I look at culture more at the macro and meso levels. Bouckaert (2007, 30) suggests that Geert Hofstede's Value Survey Module (VSM), which uses organisational theory and psychology to describe models and dimensions for his survey, examines culture from a meso level with reference to the macro level.

Hofstede's Cultural Dimensions and Values Survey Module (VSM 2008)

Based on the experience and feedback from the pilot survey conducted in early 2011 which used a number of variables to examine the culture of Bhutan, it was found that using Bhutanese values was confusing. Other researchers who have done research on Bhutanese culture and values have also faced similar problems. For instance, Whitecross (2008) examines the Bhutanese value of *tha damtshig* and its role in the creation of a sense of moral identity among contemporary Bhutanese. Whitecross (2008, 77) contends that *tha damtshig* is 'not an easily defined concept' and it can simultaneously mean an ideal that is to be striven for, a practice demanding full awareness of one's social status, and actions linking it with good manners. Furthermore, using strictly Bhutanese values is problematic when conducting cross-country comparisons as it is difficult in coming to a common understanding of the Bhutanese values' meanings. While there have been some studies on Bhutanese values, such as the Bhutan National Values Assessment conducted in 2007 by the International Center for Ethnographic Studies in partnership with the Barrett Values Centre, the Centre for Bhutan Studies, East Tennessee State University and the Brimstone Grant for Applied Storytelling (see Evans 2008 for more details), Hofstede's cultural dimensions allow for a meaningful comparison against those countries where aspects of the PCS were seen to have been borrowed from, countries such as the USA, Australia, New Zealand, Singapore, Thailand and the Philippines. Additionally, Hofstede's study allows for comparison of generic values. Therefore, using Hofstede's VSM is helpful in mitigating problems based on cross-country comparisons.

Hofstede's multidimensional cultural model originates from his analysis of 116,000 survey questionnaires of IBM employees in 72 countries (Minkov and Hofstede 2011). Hofstede argues that these dimensions of national culture help in explaining national differences in work-related values, beliefs, norms, self-descriptions and societal variables (Minkov and Hofstede 2011, 11). Hofstede's VSM 2008 database did not include Bhutan, and therefore scores had to be generated for each of Bhutan's cultural dimensions using the VSM 2008 survey. The VSM questions were included in the main PCS survey that was conducted as a part of this research (for more details, refer to Part II of the survey in Appendix II). To make meaningful comparisons with cultures of other countries based on the VSM, Hofstede recommends that the study should be 'anchored' by

including at least one new sample from one IBM country (Hofstede 2001, 464). This process would allow the effect of the change of sample on the scores of the IBM country to be measured and to correct the score for Bhutan for this effect. According to Hofstede, so long as the participants represent a homogenous group the findings should provide an insight into the nation's culture. Thus for the purposes of anchoring, 75 public servants from various parts of Australia were also surveyed (refer Appendix III for a list of agencies with the number of respondents). These included public servants from 27 agencies within state and federal Australian governments. The majority of the respondents in Australia belonged to the 40–49 year age group (28 %), 47 % of them were female, and a majority of the respondents had a bachelor's degree qualification (59 %).

One of the major criticisms of Hofstede's model has been in its assumption that culture does not change. Other criticisms are directed at the uni-organisational design, small samples representing some countries, the age of the data, and overlooking the growing intra-national diversity in many countries (Fang 2010; Tung and Verbeke 2010; Taras et al. 2012). Hofstede refutes some of the criticisms and clarifies that although his data are old they reflect stable national differences, and that although cultures evolve they tend to move together in similar cultural directions retaining the cultural differences (Minkov and Hofstede 2011, 12–13). Despite the criticisms, Tung and Verbeke (2010, 1259) acknowledge that Hofstede's work on culture is immensely popular; and Minkov and Hofstede (2011, 17) argue that the popularity of the model is because of its coherence and predictive capability rather than an attempt to prescribe one absolute model. Fang (2010, 158) supports this claim and states that the strength of the Hofstede model is in its clarity and consistency in the identification of cultural differences and facilitation of cross-cultural comparisons.

In the survey that was first conducted in 1980 by Hofstede, four main values were assessed—Power Distance Index (PDI), Individualism Index (IDV), Masculinity Index (MAS) and Uncertainty Avoidance Index (UAI). In the 2008 survey, the value Long-Term Orientation (LTO) was also included to incorporate values that resonate with Asian cultures. Two other values were also included in the 2008 survey, Indulgence Versus Restraint Index (IVR) and Monumentalism Index (MON). However, most of the studies that use Hofstede's work focus on five dimensions of culture, that is, PDI, IDV, MAS, UAI and LTO. In this book too, I examine Bhutan's culture based on these five main dimensions. Before

we look at some of the broad organisational characteristics that Hofstede attributes to each of the dimensions, it is pertinent to look at what each of the dimensions mean according to the Value Survey Module (VSM) 2008 Manual (Hofstede et al. 2008). PDI is defined as the extent to which less powerful members of institutions and organisations within a society expect and accept that power is distributed unequally. IDV stands for a society in which ties between individuals are loose and a person is expected to look after himself or herself and his or her immediate family only, whereas collectivism stands for a society in which people from birth onwards are integrated into strong, cohesive in-groups, which continue to protect them throughout their lifetime in exchange for unquestioning loyalty. MAS stands for a society in which social gender roles are clearly distinct: men are supposed to be assertive, tough, and focused on material success; women are supposed to be more modest, tender, and concerned with quality of life. Femininity stands for a society in which social gender roles overlap: both men and women are supposed to be modest, tender, and concerned with quality of life. UAI is defined as the extent to which members of institutions and organisations within a society feel threatened by uncertain, unknown, ambiguous, or unstructured situations. LTO stands for a society which fosters virtues oriented towards future rewards, in particular, adaptation, perseverance and thrift. Short-term orientation stands for a society which fosters virtues related to the past and present, in particular respect for tradition, preservation of 'face', and fulfilling social obligations.

Generally, for those countries with low PDI as opposed to high PDI, their organisations tend to have flatter decentralised decision structures, with less concentration of authority and a more consultative leadership pattern. Similarly, organisations in countries with high UAI give more emphasis to factors such as seniority and company loyalty. These organisations are also more likely to resist change, have an ideological preference for group decisions and strictly adhere to company rules. In organisations with low IDV, managers give importance to conformity and orderliness and employees have a low public self-consciousness. In addition, employees avoid direct confrontation and give importance to maintaining harmony in the work place. Organisations with high MAS stress equity, mutual competition and performance as opposed to those with low MAS where the emphasis is on equality, solidarity and quality of life. In organisations with high MAS, managers are treated as heroes and expected to be decisive, firm and just. With respect to LTO, organisations with high LTO

are expected to focus on building relationships and market position rather than on the bottom line. In low LTO organisations, traditions are treated as sacrosanct and they also practise virtues such as social consumption, whereas in high LTO organisations, traditions are adaptable and virtues such as frugality and perseverance are taught.

Bhutan's Values and Cultural Dimensions

In studying the implementation of the PCS into the Bhutanese public sector, it is essential to understand the culture and values of the Bhutanese civil service, and how the reforms operate within this cultural context. This is especially true when examining policy transfer issues with regard to the PCS as officials and international advisors/consultants looked towards practices in various countries and systems. Evidently the PCS was perceived as an attempt to bring in the best practices of civil service systems from other countries. A useful aspect of Hofstede's VSM is that it allows for meaningful comparisons to be made with other countries on the same values. Comparisons are made with those countries mentioned in the interviews with those involved in the reform formulation process. The obvious countries are where consultants associated with the PCS were from, that is, the USA, New Zealand and the Philippines. Other countries that some of the committee members involved in the formulation visited were Australia, Singapore and Thailand. India is also included in the comparisons because the system prior to the PCS was closely associated with the Indian Administrative System. Fig. 7.1 shows the scores for Bhutan for each of the five dimensions compared with Australia and the
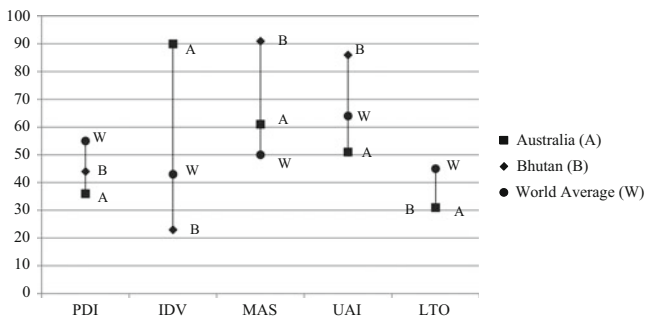
Fig. 7.1 Cultural dimensions for Bhutan
Source: Author's own compilation

World Average, which was derived using the latest data available from Hofstede's website (www.geerthofstede.com). While the individual scores *per se* are meaningless, they provide a basis for comparison of the values. Calculations for the scores were based on the instructions prescribed in the VSM 2008 Manual for each of the seven dimensions.[1]

Power Distance Index (PDI): Bhutan has a medium level of PDI, below the world average level. According to the PDI score, what this means for Bhutan is that there appears to be a fairly equal distribution of power. It is slightly below the world average, and in general, is lower than those of most of the Asian countries (e.g., India (77), Philippines (94), Singapore (74) and Thailand (64)) that it is being compared against. The PDI for Bhutan is slightly higher than it is for countries such as Australia, the USA (40) and New Zealand (22). Matching the PDI to the nature of public administration in Bhutan and the PCS reforms, the medium level of power distance fits the bill of the bureaucratic characterisation of the Bhutanese public administrative system. The hierarchical levels in the Bhutanese civil service and respect for authority are prominent features. The high PDI orientation also impacts the levels of hierarchy in the public sectors in some other South Asian countries. For instance, in Pakistan, the public service is a pyramidal structure grouped into 22 grades, and there is prevalence of a 'tradition of sycophancy' in the government with subordinates either trying hard to please their bosses or being afraid of them (Islam 2004, 320). In recent times, with the movement to incorporate a certain amount of competition in the Bhutanese public sector through outsourcing activities, not having a very high PDI would allow for a post-bureaucratic and competitive government too. Generally, in low power distance countries the more participative work units will be more inclined to favour change and reform than less participative work units and the lower power distance of these countries will allow for more active participation in reforms, creating dynamic ownership with the reform (Bouckaert 2007, 49). In Bhutan,

[1] I sent the values for each of the cultural dimensions to Geert Hofstede for comments. In his reply dated July 16, 2013, he commented: 'your scores for power distance and collectivism are as I expected; I was surprised by the high masculinity score (almost as high as Japan), knowing that for example Tibet in a recent study scored feminine. The uncertainty avoidance score is at the level of Korea, and the short-term orientation is at the level of Thailand; both are possible'. Based on the feedback from Hofstede, I will attempt to cross-check the MAS scores for Bhutan at a later date, but in the meantime, I have used the other scores to make my arguments for the cultural contexts of Bhutan in this book.

respect for seniority and status are important cultural values for civil servants. A respondent to the survey pointed out that, as a senior civil servant without adequate qualifications, the PCS with its qualification criteria ignored factors such as 'sincerity' and 'dedicated service' for promotions and opportunities to compete for posts through open competition (RH13). While the principle of vested rights was enforced, it only protected civil servants from being adversely affected by the PCS, but this principle did not leave room for positive benefits. A major criticism of the PCS was the trend of professionals and highly specialised civil servants to move towards more general positions, resulting in the loss of specialised skills. Much of this has, as a senior executive in the Bhutanese civil service explained, to do with the importance accorded to a status conscious society:

> There is a lot of power and pomp associated with being a secretary to the government and has a lot of authority; whereas the specialists have none of these benefits. Thus people do not opt to join the specialist category (R14).

Individualism Index (IDV): Bhutan scores very low in IDV, which means that it is a collectivist society. A low IDV score shows that Bhutan's society is very communal and is integrated into strong groups. The smallness of the society, both in terms of population and familial relationships, may also be a reason for such a strong score on collectivism. Findings by Evans (2008, 101) also show that one of the top values favoured by the Bhutanese is 'friendship' and that support and connection with others is important. A clear distinguishing pattern between the countries in comparison stands out between the Asian nations and the Western nations. Asian countries such as India (48), Philippines (32), Singapore (20) and Thailand (20) have lower IDV scores than Australia (90), New Zealand (79) and the USA (19). Such a distinction in culture is also noted by Sastry and Ross (1998, 102), who state that Asian cultures are 'more collectivist' than Western cultures. Islam (2004, 321) also supports this statement and argues that in Pakistan, for example, individualism particularly in rural areas, was almost non-existent and an individual was 'an inalienable part' of multiple groups who dominated the individuality of a person. An official in the formulation of the PCS pointed out that the perception of the civil servants was that the PCS, particularly the performance management system, promoted values of 'individualism and competition, which are values that most Bhutanese

are not familiar with' (R11). The unfamiliar values made it difficult for managers in the civil service to implement the performance management system. The smallness of the society, physical as well as in terms of degrees of association, where maintaining healthy relationships both in the professional as well as personal space is important, it made it challenging for managers to judiciously review performance, especially when it came to reviewing people critically. As the international advisor to the PCS observed: 'The whole thing around culture and the way that things are done in Bhutan is about relationships; it is also about who you know … and … it is difficult to feel safe talking about performance' (R22). Another official commented that implementing the performance management system required a major cultural shift—where the boss and subordinate sat down together, 'candidly talking about performances' (R11). A key factor that affected the direct implementation of the PCS, as explained by an official responsible for implementing it, is because the small society in Bhutan makes it difficult to differentiate professional space from personal space (R6). The international advisor to the PCS also acknowledged the lack of understanding of cultural differences particularly on something 'as sensitive as performance', which cannot be dealt with a 'Western way' (R22). A direct impact of the culture of maintaining good relationships, where it is inhibiting the identification of performers from non-performers, and also reflective of the fact that the change in mindset has not occurred yet, is in the high volume of submissions for merit-based promotions that the RCSC receives.

Other dimensions: Bhutan's score on the dimension comparing masculine versus feminine (MAS) is high and is above world average. What the scores mean for Bhutan is that it is a masculine society that values attributes such as assertiveness, toughness, and is focused on material success rather than modesty, tenderness and quality of life. Bhutan's scores are surprisingly high compared to other countries. Most countries being compared have relatively higher scores than the world average in terms of MAS except for Singapore (48) and Thailand (34). Generally, in cultures with high MAS scores, the dominant value is fight for success, which is reflected in a merit-based reward system; whereas in feminine systems the dominant values are quality of interpersonal relations and a focus on quality of working life (Bouckaert 2007). Bhutan scores very high on the Uncertainty Avoidance Index. The high UAI scores reflect Bhutanese people's cautious nature. Findings from Evans (2008, 104) also show that 'caution' features as one of the top three predominant personal values. In

comparison, the other countries have lower UAI scores with Singapore (8) having the lowest UAI score. Bhutan's score on long-term orientation is again fairly low. Although one would expect that Bhutan would have a high LTO, given that is a Buddhist society, short-term values such as respect for tradition, preservation of 'face' and fulfilling social obligations overshadow to a great extent long-term values such as perseverance and thrift. India (61), Singapore (48) and Thailand (56) generally have higher LTO scores than countries such as Australia (31), Bhutan (31), New Zealand (30), the Philippines (19) and the US (29).

Importance of Culture for the Implementation of PCS

Discussions on the importance of culture and public sector reforms conform to the theory that successful reforms are 'culturally sensitive' and that there should be a match between rules, identities and situations (Thoenig 2003, 133). Brandsen and Kim (2010, 370) note that 'cultural differences' encourage states to focus on a particular NPM-inspired reform; how successfully reforms are operationalised will differ depending on the attributes of the system. In the policy transfer aspects of the PCS, the contexts and cultures of the countries where officials and international advisors and consultants looked for examples of best practices and how they were adapted or not adapted to suit the Bhutanese context is pertinent. One of the key officials responsible for the formulation of the PCS stated that the PCS was perceived to have brought the best practices of civil service systems from other countries, particularly the 'West'; however, these practices came embedded with certain values (R11). In many ways, introducing the PCS was also meant to change aspects of the culture, or to bring in a certain desired culture. As the international advisor commented, 'there are cultural things you need to be aware of and to respect but at the same time you also need to challenge and stretch people otherwise change would not happen' (R22). One of the major desired changes was to find a way of acknowledging performance in the system.

Towards introducing change in Bhutan's civil service through the PCS, the findings of the study based on Hofstede's VSM 2008 reveals the impact of Bhutan's culture on the implementation of the PCS. For instance, Bhutan's medium level of PDI shows that there is a fairly equal distribution of power between managers and their subordinates. The culture of a medium level of PDI did not clash with the hierarchical reinforcements

of the PCS through its classification of positions and occupational groupings component. Where there were clashes between the culture and the PCS was in the values of IDV and introduction of the performance management system component of the PCS. The performance management system of the PCS required employees to conduct a self-rating and there was also the requirement to have a face-to-face evaluation between the manager and employee. Such performance measures, which were based on performance management systems implemented in countries with high IDV scores, could not be implemented in Bhutan as envisioned. Bhutan's highly collectivist culture means that the society is communal and integrated into groups with strong relationships. This collectivist culture exacerbated the implementation of the performance management system of the PCS as it made it a major challenge for managers to objectively evaluate staff. Managers in the Bhutanese civil service complained that it was difficult to operate within a social context where everyone knew each other both within the professional and personal space. With the performance management system being integrally linked to personal benefits to employees in terms of promotions, training and other opportunities, it made it even more challenging for managers to separate the personal from the professional space.

Another cultural factor that impeded the overall implementation of the PCS is Bhutan's high UAI scores, which reflect the cautious nature of the Bhutanese people. The management of the change of system from the cadre system to the PCS provides insights as to whether or not adequate measures were taken for civil servants to adapt to the new reforms, and along with it the cultures embedded within the reforms. Findings of the study demonstrate that adequate measures were not undertaken to ensure the smooth transition of such a major change to the civil service on account of the PCS. First, there was a lack of involvement of civil servants who, as key stakeholders, should have been thoroughly prepared for the changes brought on by the PCS. Second, the team responsible for introducing the PCS did not have a clear implementation strategy in mind. There was a lack of clarity in the initial implementation of the PCS, and the job-mapping exercise conducted after the implementation of the PCS was one such example. Finally, there was not enough capacity-building of the key officials responsible for implementing the reforms in the agencies. Much of the task of implementing and interpreting the PCS fell on a young and newly recruited group of HR officers. Therefore, for the successful implementation of the PCS, the civil service of Bhutan should

have better prepared itself for such a major reform in terms of the cultural changes required, particularly paradigm-changing components of the PCS such as the performance management system.

Consequence of the Dynamics of PCS—Hybridity in the Bhutanese Public Administration

A consequence of the various dynamics of the PCS, discussed in Chap. 8 and this chapter, is the contribution towards a hybrid public administration with layering of various paradigms. As a rejoinder, Chaps. 3 and 4 of the book concluded that public administration systems tend to exist in hybridity with combinations of characteristics from various paradigms and models of public administration. We need to be aware that the term 'hybridity' in public administration could refer to any of the following: quasi-governmental organisations that exist at the interface between the public and private sectors, the mixture of market and hierarchy, the combination of political advocacy and service provision, the mixture of different structural forms inside an organisation, or different cultural elements such as professional cultures in different parts of the government (Christensen and Laegreid 2011). For the purposes of the book, the 'hybridity' in public administration that I refer to is best explained by the concept of Drechsler's 'paradigmettes', which I argued earlier provided an insightful way to examine the layering and creation of hybrids that takes place in public administration. We identified some paradigmettes that were either a combination of TPA, NPM and post-NPM concepts, or a combination of Western and Eastern paradigms, or a combination of aspects of public administrations in a developed country and a developing country. It was the third paradigmette, which was a corollary of the other two paradigmettes, which was identified as useful for the book when discussing the layering and hybridity of Bhutan's public administration. In the third chapter, we observed that Bhutan's public administration was a hybrid system layered with mostly TPA characteristics and traces of the patronage system, NPM and emerging models.

In this section, I argue that two key factors were responsible for the hybridity of the Bhutanese public administration on account of the PCS reforms. The first factor is that when we compare the reality to the ideal, we see the hybridity of practice. In other words, when public sector

reforms strive towards an ideal type, challenges and shortcomings in the policy towards the intended objectives lead to hybridity. Often public sector reforms fall short of achieving intended objectives because of the manner in which they are formulated and implemented. While this conclusion is not new, and reforms with flaws in the policy design or implementation are often observed both in the practice and theory of policy studies, there are not many studies that link the causal effects of successes and failures of public sector reforms to the nature of public administrative systems. The PCS has fallen short in the movement towards the objectives that it was set to achieve. Laking and Norman (2007) contend that administrative reforms are prone to failure with only a 39 % success rate based on estimates produced by the World Bank's Operations Evaluation Department in 1999. Barzelay and Jacobsen (2009, 331) support this line of argument and state that 'implementation does not follow automatically from declaring the resolution of an agenda issue'. Such a disjoint between rhetoric and reality in recent years in Bhutan was also observed in the organisational development (OD) exercise that was initiated in the year 2007 again by the RCSC following the introduction of the PCS. According to O'Flynn and Blackman (2009), 133), a bold initiative was attempted by the Bhutanese government to implement the OD exercise as a 'system-level change' beyond its typical use as a 'planned change approach'. The OD initiative, which was nearly as comprehensive as the PCS, was not approved for implementation by the government. O'Flynn and Blackman (2009), whose study was conducted while the OD exercise was still being formulated, had warned of possible challenges and tensions in the implementation of the reform. Similarly with the PCS, a respondent to the survey pointed out the implementation challenges: 'While fundamental promise of PCS was good and sound, the implementing agencies failed in actual implementation; therefore there was a general feeling of resentment, discontent and apathy toward PCS system as a result' (RS2). Even during the formulation stage, the challenge was taking 'theory and trying to make it far more tangible, and we were trying to look at ways to make it more operationalized' (R22).

In the applicability of the PCS to Bhutan, one of the major criticisms of the PCS was that there was a mismatch between the PCS as a concept and the PCS in practice. Such shortcoming between ideal and practice is nothing new in public policy. That public sector reforms *realities* are quite different from public sector reform *ideals*, Lane (1997, 1) contends, is common 'as there tends to be a huge distance between lofty

theory and down-to-earth practice'. O'Toole (2004), 312) supports the disparity between theory and practice and points out that the 'theory–practice nexus is not a simple link in some translation belt from thought to action' and that it is unreasonable to expect theory to translate into a clear and uniform body of knowledge. Hernes (2005, 9) also points out that when 'organizing concepts are reproduced in an institution', the 'idealised practices' upset or threaten the existing set of arrangements which lead to a 'certain degree of deflection'. The tension between theory and practice is further exaggerated when literature that was designed for Western and European countries is applied to non-Western countries (Welch and Wong 1998).

The second factor that caused the PCS to lead to hybridity in Bhutan's public administration is the type of public sector reforms, that is, whether they are normal policy making or paradigm-shift reforms. The impact of the reforms differs depending on the prevailing context and culture of the public administration. I argue that it is challenges in the implementation of paradigm-shift reforms that forms the second factor as to why hybrid systems exist. Here differences in the institutional context and the culture of the country where the public sector reforms are applied matter considerably. Clearly, the public administration system of Bhutan at the time the PCS was introduced was predominantly TPA in nature with strong legal and politico-administrative frameworks with no traces of either neo-institutional economics or the market-driven management characteristics that underpin the NPM paradigm. In the previous chapter, we observed that the PCS did not substantially transform the Bhutanese public administration in relation to the ideal types. Except for the performance management system and the remuneration and benefit components of the PCS, the other three main components did not demand radical changes. These three components of the PCS, that is, classification of position and occupational groups, the recruitment, selection and promotion system, and human resource development, were identified as normal policy making. They only made incremental changes to the cadre system and reinforced some of the TPA characteristics already prevalent in the Bhutanese public administration. The components of the PCS that attempted to shift paradigms were the performance management system and the remuneration and benefits components. It was intended that the performance management system, through its emphasis on the management of outputs, would differ from the TPA characteristics of focusing on inputs. The remuneration and benefits component, if it had been approved, would

certainly have reinforced the principles of NPM in the performance objective characteristics.

Keeping in mind the contextual factors, the pace of Bhutan's political and socio-economic developments also influenced the structure and form of the Bhutanese civil service. Drawing on the study conducted by Christensen and Laegreid (2011, 408), using the Norwegian welfare administration as a case study, they explain that hybridity occurs as public organisations try to 'attend to numerous and sometimes conflicting ideas, considerations, demands, structures and cultural elements at the same time'. The 'accelerating pace' of public sector reforms in modern representative democracies, particularly the NPM and post-NPM reforms, are 'resulting in a complex sedimentation or layering of structural and cultural features' (Christensen and Laegreid 2011, 408). Thus both the Norwegian and the Bhutanese examples support the argument that the pace of political and economic development is likely to cause a public administration system to be hybrid or layered with one paradigm or model over another.

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Dynamics of Public Sector Reforms

PUBLIC SECTOR REFORMS—ONE PATH OR MANY?

In recent decades, public sector reforms have been undertaken globally with increasing intensity and scope. Amidst such an increase in the scale of public sector reforms, debate continues whether or not there has been a single reform movement. On the one hand, there are certain universal factors, such as globalisation and technological development, which have led to pressure for convergence in public sector reforms. On the other hand, contextual and cultural differences have led to a divergence in public sector reforms. Jones and Kettl (2004, 467) point out that the debate on convergence versus divergence of public sector reform is a 'long-standing' one in public administration and management, and there has been evidence of both trajectories observed in practice. This chapter will examine these points of convergence and divergence in public administration based on the findings of this study on the implementation of the position classification system (PCS) in Bhutan. To this effect, the framework presented in Fig. 8.1 showing the various trajectories of public sector reforms has been developed from this study. This framework forms an important contribution to the theoretical development of the trajectories of the public sector and provides a new way of thinking about how we might understand the dynamics of public sector reforms. In general, countries initiate public sector reforms to move from a 'current situation' (represented by point A in Fig. 8.1) to a 'desired situation' (represented by point B in Fig. 8.1). The
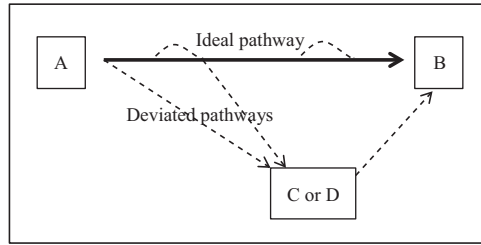
Fig. 8.1 Public sector reform trajectories
Source: Author's own compilation

path taken to get from point A to point B in Fig. 8.1 is the 'ideal pathway'. While such an ideal path is desirable, the reality is that instead of going from point A to point B, the outcomes are either points C or D. These paths are represented in Fig. 8.1 as 'deviated pathways'. Deviation occurs in the pathways either at the beginning of the reform trajectory or along the way when the reforms face obstacles. These obstacles are indicated in Fig. 8.1 as 'bumps' along the ideal pathway. Sometimes, such bumps are minor obstacles and act as speed breaks that delay the time taken by governments to arrive at the final destination (point B). But sometimes, these obstacles can be major hindrances resulting in total deviation from the ideal pathway, leading to different results. Another point to make based on Fig. 8.1 is that although reforms may deviate from the original pathway, that is, move to points C or D, some of them eventually get to point B. In such circumstances, points C or D act as important transition positions for the reforms.

Because the PCS is composed of a bundle of reforms, each of its components can be treated as an isolated reform that can be applied to the framework in Fig. 8.1. The section of the PCS that followed the ideal pathway was the human resource development component. The classification of positions and occupational grouping component of the PCS also followed the ideal pathway, although there were some bumps along the way. Minor problems, such as in the way the jobs were described or some positions not being properly classified, were faced in the implementation. The recruitment, selection and promotion component of the PCS also faced some bumps along the way, and after rectification some aspects of this component continued to move towards point B. An example of

one such aspect that was rectified was the initial clause which specified a requirement of a minimum of two years in a position before a staff member was eligible to apply for another higher position. It was later increased to four years. However, some aspects of the recruitment, selection and promotion component, after facing obstacles in the implementation, deviated entirely from the ideal pathway (indicated as points C or D in Fig. 8.1). An example is the purpose of the specialist position category in Bhutan's civil service. Instead of serving the purpose of creating a group of professionals with specialised expertise in a particular field, the specialist positions were used an outlet for those senior civil servants who were not able to move into the executive position category. It is yet to be determined whether the specialist position category will continue to remain as an alternate outlet for senior civil servants (that is, continue to remain as point C or D), or if changes will be made to re-address the issue so that the initial objective of creating the specialist position (that is, point B) is achieved some time in the future. The second point about reforms deviating from the ideal pathway but eventually reaching the final point (that is, point B) raises an important concept of 'equifinality' of public sector reforms. According to Gresov and Drazin (1997, 403), the concept of equifinality in organisation theory means that the 'final state, or performance of an organisation, can be achieved through multiple different organisational structures'. In this sense, points C or D are the means through which reforms move from point A to point B.

Where there has been a total deviation in the implementation right from the start is the performance management system component of the PCS. A key emphasis of this book has been on why such deviations take place, and demonstrating that it is mainly contextual and cultural differences that affected the implementation of the performance management system of the PCS. To unpack these findings and link them to the broader literature on public sector reforms using the framework provided in Fig. 8.1, three fundamental questions pertaining to public sector reforms can be identified: first, why do countries move or seek to move from point A to point B; second, what are the characteristics of point B; and thirdly, why do pathways deviate from B to C or D? These three questions frame the main discussions for this section, and a common thread that runs through each of the questions is the different aspects of the convergence or divergence debate.

Why Do Countries Seek to Move from Point A to Point B?

There are many reasons why countries seek to initiate public sector reforms. A useful analytical framework to determine some of the reasons why public sector reforms are initiated is provided by Pollitt and Bouckaert (2011). In their Public Sector Model, the central focus is the elite decision-making component, where the objective is to determine what is desirable and what is feasible through the reforms. Four key elements influence this decision-making process: socio-economic forces, the political system, the administrative system and chance events. According to Pollitt and Bouckaert (2011) it is in the interplay among these principal elements that management change emerges. Global economic forces and socio-demographic changes influence socio-economic policies that require decision-makers to initiate public sector reforms. And it is mainly the party political ideas formed by either the emergence or a combination of new management ideas and pressure from citizens that influence the political system for the initiation of reforms. Chance events, for example scandals and disasters, could also lead to the initiation of public sector reforms. The other component of the model is the administrative system, which includes the content of the reform package, the implementation process and the results that are achieved through the reforms.

Convergence and divergence in why public sector reforms are initiated can be analysed based on the key elements of Pollitt and Bouckaert's Public Sector Model. When examining why countries introduced public sector reforms, it can be argued that broad socio-economic and political forces such as 'party politics' and 'globalisation' were responsible for convergences in the initiation of many public sector reforms, particularly NPM-related reforms (Dahlstrom and Lapuente 2010, 585). Similar political developments in countries such as the UK and the USA where neoliberal and pro-market regimes came into power in the late 1970s and early 1980s encouraged the introduction of market-oriented reforms in the public sector. Other Anglo-Saxon countries such as Australia and New Zealand followed suit and initiated such neoliberal and pro-market reforms. Another socio-economic factor that set off a series of public sector reforms was 'globalisation' and governments strived to create more efficient organisations because of the challenges created by an open economy. An example to illustrate the influence of globalisation is Europe, where nations were influenced by the convergence criteria of the European Monetary Union to introduce public sector reforms as

a result of open economy challenges (Dahlstrom and Lapuente 2010). Similarly, in Asia global waves of public sector reforms such as the new public management (NPM) and good governance models impacted institutional reforms (Cheung 2005). Moon and Ingraham (1998) point to convergences in the choice of reforms such as decentralisation, downsizing and reorganisation in China, Japan and South Korea as a result of administrative, economic and political reform in these countries. It was not only the NPM and governance-related reforms that sought convergence. In a study of reforms initiated by a group of Central Eastern European countries, Neshkova and Kostadinova (2012) showed that the post-communist countries chose the classical Weberian model of centralised hierarchy rather than adopting business-like practices that were not feasible in a context of post-communism. These countries chose to initiate such reforms towards goals of de-politicisation and professionalism of the state bureaucracy (Neshkova and Kostadinova 2012). Wise (2002) points to a shift towards post-modern values such as demand for greater social equity, humanisation and democratisation and empowerment in Europe and North America that influenced administrative practices in different national contexts.

Divergence in the reasons for the introduction of public sector reforms can also be explained by using Pollitt and Bouckaert's model. Differences in socio-economic forces, political systems and administrative systems lead to divergences in initiating public sector reforms. For instance, in the example presented earlier by Moon and Ingraham (1998) where China, Japan and South Korea introduced decentralisation reforms. For each of these countries the reasons for introducing reforms were quite different: for China, the main reason was economic purposes; for Japan, it was administrative reasons and for South Korea, it was politically motivated. Cheung (2005) also points to combinations of various factors such as political will, economic crises and other specific conditions shaped by institutional features, to explain why reforms are pursued in Asian nations. Pollitt and Bouckaert (2011) point to tensions among the competing drivers of reform that lead to divergences in the way reforms are introduced. They highlight the pressures represented by external socio-economic forces and political demands and illustrate their point with an example of the balance between the three basic types of reform objectives implemented in the 12 countries that they examine (Pollitt and Bouckaert 2011). The three objectives are to reduce public expenditure, design better-performing public services and sharpen accountability and transparency. Tensions among the three

competing objectives can emerge at short notice, especially during periods of crisis. An example is the economic crisis of 2008, which heightened the need for financial prudence and cuts and led to major reform deviations in a number of countries that required trade-offs between short-term and long-term goals.

In the case of the introduction of the PCS in Bhutan, the findings of this research demonstrate the influence of globalisation and political changes that were taking place in the country's public administration system. The good governance agenda promulgated by the international organisations was gaining momentum in the developing countries in the late 1990s (Goldfinch et al. 2013). It was around the same time that Bhutan undertook its first Good Governance exercise in 1999. The PCS was a direct result of the Good Governance exercise in 1999. One of the main reasons that led to the introduction of the PCS was partly due to the governance trend in developing countries. The other reason for the introduction of the PCS was due to changes in the political system. The Good Governance exercise was initiated by the new government that was formed immediately after a major political transformation in Bhutan in 1998, when the absolute monarch in Bhutan devolved executive powers to a cabinet elected by the parliament. In this sense, there was a convergence of the good governance agenda that was being initiated across the developing countries in the 1990s, leading to the introduction of the PCS in Bhutan.

What Are the Characteristics of Point B?

The ideal type typology of public administration (Table 3.1 in Chap. 3) is useful heuristically to show what point B in Fig. 8.1 could include. The ideal type typology included four main paradigms and models of public administration mentioned alongside eight key characteristics. Thus, the ideal type typology presented in Table 3.1 in Chap. 3 offers 32 different characteristics that could potentially be point B. The number of characteristics could either increase or decrease depending on the number of variables included for each of the paradigms and models. Irrespective of what the number of characteristics is, it is important to note that these characteristics are 'ideals' only and that any country could seek to achieve those ideals. In this sense, there is what Hughes (2003, 266) describes as 'theoretical convergence'. According to Hughes (2003) evidence of convergence across a number of countries is in underlying theory where

although reforms in countries may vary in specifics, there are similarities in the direction of the reforms and the ideas and theory that drive the reforms. This debate is important and there can be convergence/divergence on many things, such as the reform package and the main objectives. Theoretical convergence helps in explaining the convergence in instruments and strategies that countries adopt while at the same time also acknowledging that the timing of when reforms are introduced and the details of reforms are likely to be modified depending on local traditions and context (Hughes 2003). Jones and Kettl (2004, 466) agree that while context matters, however, there are elements of 'isomorphic transference' which therefore suggest some interdependence. By this, they mean that convergences in public sector reform programmes have spread through policy transfer among nations because of factors such as: use of information technology to access information on policy successes and failures in different countries, the media's role in identifying policy problems, and international organisations and consultants. In recent years one such example of isomorphic transfer has been performance measurement. Although performance management reforms have varied and evolved over time, performance management regimes and measurement are some of the most widespread and important public sector reforms (Talbot 2008; Tillema et al. 2010). The performance management system of the PCS in the Bhutanese civil service was an example of a policy idea that drew on the experience of a range of other countries.

In explaining the divergence of what comprises point B we draw on work done by Cheung (2005). He explains that divergence in the choice of public sector reforms occurs because of the different political motivations and agendas for reforms, and while ideas may converge in terms of their international origin, the actual policymaking process is local. Cheung (2005, 260) also makes an interesting observation that divergences in the choice of public sector reforms mainly occur even though there is a 'global reform paradigm' such as NPM because governments often pick and choose from a range of measures and strategies. The implementation of PCS in Bhutan was an example of a reform that comprised five different components. Convergence was observed in the way the PCS was conceived as a good governance reform initiative aimed at improving the civil service of Bhutan. The reform incorporated common elements of public administration characteristics, that is, organisational structure, performance management, training and development, recruitment and promotion and financial rewards. However, in the type

of reforms that were chosen based on the paradigm or model that they belonged to, the components of the PCS were a mixture of characteristics of traditional public administration (TPA) and NPM reforms. Thus, the experience of the PCS is quite different from public sector reforms implemented in other countries, as reforms mostly belong to a particular paradigm or model. This book has demonstrated that it was important to identify the type of policy that the reform was, that is, either normal policy that involved incremental changes or paradigm-shift policy that included transformational changes. This process of separating reforms into the two categories of policymaking helps in explaining the dynamics of public sector reforms.

Why Do Pathways Deviate from Point B to Points C or D?

In Fig. 8.1, we saw that countries initiate public sector reforms to move from point A to point B. In this chapter discussed some of the reasons why countries initiate public sector reforms and the particular reforms that countries choose to implement. In the actual implementation of public sector reforms, however, reforms do not always lead from point A to B. In other words, public sector reform rarely hits its mark or the end point it sets out to achieve. Laking and Norman (2007) contend that administrative reforms are prone to failure with only a 39 % success rate, based on estimates produced by the World Bank's Operations Evaluation Department in 1999. Barzelay and Jacobsen (2009, 331) support this line of argument and state that 'implementation does not follow automatically from declaring the resolution of an agenda issue'. This is true even for countries that were seen to have been NPM benchmark countries, such as Australia, New Zealand, the UK and the USA, where NPM-related reforms were initiated. Whether or not these reforms had the desired effect or 'live[d] up to expectations' is questionable (Moynihan 2006, 77). In this section, we discuss some of the reasons why there have been convergences and divergences in reform trajectories. Before moving on to the main discussion, two important issues related to public sector reforms need to be highlighted. The first is the ontological and epistemological issue of what is 'success'. More specifically, from Fig. 8.1, the question arises whether or not it can be concluded that if A➜ B equals success, then does A➜ C or D equals failure. In Chap. 7, we saw that the definition of success was contestable, and to avoid a dichotomous perception of the PCS as success or failure, I evaluated the PCS on a combination of crite-

ria drawing on the work of Marsh and McConnell's (2010) dimensions of policy success. In addition to evaluating the PCS based on the overall perceptions of civil servants in the survey conducted in 2010, the PCS was also evaluated on the process and programmatic dimensions. To determine the success of the PCS, a broader evaluation was conducted that covered aspects of its formulation, implementation and an analysis of the main components of the PCS. In doing so, we observed problems in the way the PCS was formed and implemented. In the final analysis, the PCS was a mixture of successes and failures. Areas where it failed, for example, were in the lack of stakeholder participation when it was being formulated and the way in which the transition from the cadre system to the PCS was not properly managed. These issues can be identified as the 'bumps' along the PCS reform trajectory that is indicated in Fig. 8.1.

Controlling for variables such as the 'bumps' in Fig. 8.1 in the implementation of public sector reforms, the findings of the research based on the implementation of the PCS showed clearly that the convergences and divergences are mainly contextual and accounted for by cultural similarities and differences. The examination of each of the components of the PCS revealed that in its implementation some components were close to point B in terms of their outcome. As we saw earlier, the human resource development component of the PCS came closest to achieving the objectives, and the other components of the PCS that were quite close to achieving their objectives were the classification of positions and occupational groups, and the recruitment, selection and promotion system. The component that deviated sharply away from the ideal pathway was the performance management system of the PCS. The experience of the PCS demonstrates that differentiating between normal and paradigm-shift policy helps to explain divergences in the implementation of public sector reforms. Based on the findings from this research, it can be argued that incremental reforms do not face major challenges in implementation whereas paradigm-shift reforms require a match between the context and culture of the reforms, and the administrative system, to occur for successful implementation.

Such divergences in the implementation of public sector reforms are also evident in other countries in spite of similarities observed in their economic status, political traditions or geographic locations. For instance, in a study of the implementation of public sector reforms in a group of developed countries, Pollitt and Bouckaert (2011, 115) contend that due to a lack of 'universally shared vision', divergences occur in the trajec-

tory of public sector reforms. They also point to 'organisational factors' that have affected the implementation of reforms in countries such as the UK, Netherlands and France (Pollitt and Bouckaert 2011, 121). Others (for example, Dahlstrom and Lapuente 2010 and Gualmini 2008) have shown that in the implementation of NPM-related reforms, convergence exists only among the Anglo-Saxon nations, and there are major differences in the implementation of such reforms between the Anglo-Saxon nations and other nations, for example, countries in continental Europe. Similarly, Pierre (2013, 131) in his examination of public sector reform in Japan, Sweden and the USA, concludes that none of the three countries have implemented NPM-related reform to a major extent despite the assumption that globalisation is likely to result in a convergence in reforms. An explanation for such divergences in public sector reform is offered by Pollitt (2011, 40), who argues against the idea of 'world waves/stages' of reform and highlights the importance of spatial and temporal contexts where reforms are implemented. Dahlstrom and Lapuente (2010), based on their study of performance-related incentives in the public sector for 25 countries, also find that cross-country variations are dependent on administrative traditions, politics and economics. For example, with regard to administrative traditions, differences in the implementation of NPM-related reforms emerged between those countries that belonged to the public interest and *Rechstaat* administrative tradition. In terms of political and economic approaches, whether or not governments leaned towards the right wing or the economy was neoliberal in its approach, resulted in divergence in the implementation of reforms.

Even countries such as Japan and South Korea that share many similarities (e.g., both of these countries are based on a Confucian administrative tradition, have right-wing political governments, and faced an economic crisis in the 1990s) have experienced differences in receptivity to NPM-related reforms (Dahlstrom and Lapuente 2010). The main reason for the difference is based on one of public administration's main theoretical foundations, that is, the politics-administration dichotomy. In Japan, there is an integration of career between politicians and senior civil servants whereas in South Korea there is clear separation (Dahlstrom and Lapuente 2010). Similarly, in another study that compares four South and Southeast Asian countries that were former colonies of the British, Samaratunge et al. (2008) note that although the countries all had centralised and hierarchical administrative systems inherited from their colonisers and started off as mixed economies with strong public sectors, the outcome

of NPM reforms introduced in the countries varied. They conclude that reform pathways were determined by contextual factors such as political history, patterns of economic development, the nature of reform and the role of civil society. In this particular case, Singapore and Malaysia were more successful in the implementation of public sector reforms because of strong political commitment to the reforms, whereas in Sri Lanka and Bangladesh, the reforms were mainly introduced to suit the interests of the elites (Samaratunge et al. 2008). Divergences in the implementation of public sector reforms are present even in the case of developing countries which appear as a homogenous group and are often characterised by 'low institutional capacity and high levels of informality and corruption' (Tillema et al. 2010, 211). In a cross-country comparison conducted by Goldfinch et al. (2013) of good governance reform in 49 low-income countries, they found that the outcomes of the good governance reforms varied between countries.

In this section, I have shown, based on the experiences of the implementation of the PCS in the Bhutanese civil service, that convergences and divergences in public sector reforms occurred at three levels. The first was when considering the main reasons why countries opted to initiate public sector reforms. The second level of convergences and divergences occurred when determining the choice of public sector reforms to be implemented. And the third was the reasons why countries deviated when implementing the reforms. It was at the third level that most divergences tended to occur. One of the main reasons for the divergences in Bhutan's case was due to differences in the local context and culture. These findings extend what we know about the impact of context and culture on the implementation of public sector reforms. Similar inferences can also be made for other countries, and a consistent message based on empirical experiences in the implementation of public sector reforms is that context and culture matters. As a cautionary note when examining public sector reforms, Cheung (2005, 258) warns that 'overgeneralisation' can be as much an analytical risk as 'overplaying local uniqueness'. Having said that, convergences in public sector reforms are mostly theoretical convergences and tend to occur more at two levels of inquiry, that is, in determining why public sector reforms are initiated and what they try to achieve. And divergences tend to occur mostly at the implementation level. The next section explores this notion of theoretical convergence and practical divergence by engaging in the theory versus practice debate in public administration.

Theory and Practice in Public Administration

In considering the applicability of the PCS to Bhutan, one of the major criticisms was that there was a mismatch between the PCS as a theoretical concept and the PCS in practice. Such a shortcoming between concept and practice is nothing new in public policy. That public sector reform *realities* are quite different from public sector reform *ideas*, Lane (1997, 1) contends, is common 'as there tends to be a huge distance between lofty theory and down-to-earth practice'. O'Toole (2004, 312) supports the disparity between theory and practice and points out that the 'theory–practice nexus is not a simple link in some translation belt from thought to action' and that it is unreasonable to expect theory to translate into a clear and uniform body of knowledge. Hernes (2005, 9) also points out that when 'organizing concepts are reproduced in an institution', the 'idealized practices' upset or threaten the existing set of arrangement which lead to a 'certain degree of deflection'. The tension between theory and practice is further exaggerated when literature that was designed for Western and European countries is applied to non-Western countries (Welch and Wong 1998).

The existing literature has shown that ideal types in public administration are often difficult to realise and points to a gap between theory and practice. However, it must be noted that the role of theory in public administration, according to Lynn (2008, 4), is threefold: to reduce the 'unwieldy complexity of administrative practice to causal propositions concerning what goes on beneath the surface of the world as we observe it', to 'create models that illuminate a significant number of important contexts', and to 'be useful for predicting, or for supporting informed conjectures about the probable consequences of acting in particular ways'. The notion of paradigms of public administration helps in a normative sense by drawing out the various ideal types in public administration. For instance, in the TPA, Weber proposed an ideal type of bureaucracy that satisfied a checklist of distinctive criteria that included a public administration based on written rules, impersonal order, and clear division of labour (Sager and Rosser 2009). With the NPM, the practices of the private sector were seen as an 'idealized model' that the public sector sought to replicate, but in reality such replication was not reflected well (Aberbach and Christensen 2005, 237). These ideal types prescribe one best way approaches which are often difficult to implement because of the context within which the reforms are situated. As Alford and Hughes (2008, 138) contend, the paradigms of public administration tend towards a 'one-best way orientation'.

In the TPA, through theories of bureaucracy and scientific management, strategies such as POSDCORB (planning, organising, staffing, directing, coordinating, reporting and budgeting) and procedures that examined all steps involved in a task and measuring the most important and efficient method to carry out the task were prescribed. NPM's one best ways were manifested through strategies such as outsourcing where services were contracted out based on an assumption that services would be cheaper and of greater value in quality and responsiveness. Similarly, the new models are also based on assumptions that answer to most deficiencies of the public sector by assuming that there is one best way through collaboration and engagement. Each of these perspectives has strengths and weaknesses, but they have in common the notion of setting out 'answers' to the challenges that confront administrators and managers in practice.

Another reason for the gap in theory and practice, as pointed out by some researchers (e.g., Askim et al. 2010; Baker 2004; Cheung and Scott 2003; Common 2001; Halligan 2001; Hill and Lynn 2005; Jones and Kettl 2004; Klitgaard 1997; Nolan 2001; Olsen 2005; Pollitt and Bouckaert 2011; Wise 2002), is that public sector reforms depend to a large extent on the context and culture of the countries within which reforms are applied. The choice of reforms often depended on: different needs, political pressures, historical traditions (Aberbach and Christensen 2003, 504); specific structural and cultural characteristics based on their 'administrative arena' and 'administrative tradition' (Capano 2003, 788); differences in national reform paths and reform patterns (Hajnal 2005, 496); and the broader state-civil society relations within which reforms are embedded (Brandsen and Kim 2010, 368). In this sense, according to Lynn (2008, 4), the 'presumption of theory-based research is that people, organisations and other social actors are conditionally alike in certain ways and that conceptualising these ways will help derive empirical knowledge that enables better policy makers, managers and clinicians'.

Hybrid or Layered Public Administration

In this section, based on the experience of the implementation of the PCS in Bhutan's public administration, I highlight some of the key factors responsible for hybridity in public administration. One of the factors that lead to hybridity in public administration is that each new paradigm does not replace the previous one but they are layered upon one another. In

practice, what is observed through the experiences of some countries is that while each paradigm has been the dominant movement during a particular period, for example, the TPA at the end of the nineteenth century and for large part of the twentieth century, and the NPM in the last two to three decades (Schedler et al. 2004), history has shown that public sector reforms 'recur with each new piece woven—sometimes seamlessly—into the next' (Jones and Kettl 2004, 462). As a result, there tends to be overlap in the paradigms and it is difficult to clearly ascertain whether a trend befits being termed a paradigm. Experiences, even in 'pure-NPM countries', as Aberbach and Christensen (2005, 239) point out, combine elements of the 'supermarket state' with features of traditional state models and pluralistic features. Rhodes et al. (2008, 473–474) argue that NPM does not entirely replace traditional systems, and it is 'grafted onto the previous set of beliefs'; in the case of countries such as Australia, Canada and the UK, the old systems were not discarded but new components were added alongside key components of the old system. The findings of the PCS demonstrate that hybridity in Bhutan's public administration was also because each paradigm was grafted onto the earlier paradigm. For instance, while the PCS was an improvement over the cadre system or the patronage system that was prevalent earlier, it did not entirely replace the old with the new. In effect, there was a hybridity observed in Bhutan's public administration. What makes the Bhutanese case of hybridity stand out is the pace at which the changes occurred. Within a period of 35 years, that is, since the first civil service rules were framed in the early 1970s to the implementation of the PCS in 2006, characteristics of Bhutan's public administration transformed from being entirely patronage-based to a mixed TPA- and NPM-based system. A similar observation is made by Christensen and Laegreid (2011, 408) in their study of the Norwegian welfare administration, where they explain that hybridity occurs as public organisations try to 'attend to numerous and sometimes conflicting ideas, considerations, demands, structures and cultural elements at the same time'. The 'accelerating pace' of public sector reforms in modern representative democracies, particularly the NPM and post-NPM reforms, are 'resulting in a complex sedimentation or layering of structural and cultural features' (Christensen and Laegreid 2011, 408). Thus both the Norwegian and Bhutanese examples support the argument that the pace of political and economic development is likely to cause a public administration system to be hybrid or layered with one paradigm or model over another.

A second factor that leads to hybridity in public administration is the dynamics of public sector reforms. The experience of the PCS in Bhutan shows that one of the dynamics that results in a layering of characteristics is the type of policymaking that public sector reforms belong to, that is, either normal policymaking or paradigm-shift reforms. Often comprising a bundle of reforms, public sector reforms such as the PCS have elements of both types of policy. While implementing normal policymaking type of reform does not incur many challenges, that is, after having accounted for process issues, the experience with paradigm-shift reforms is that contextual and cultural prerequisites have to be considered. It is important to consider political and economic contexts when implementing public sector reforms. The emphasis of the economic context is particularly important when implementing NPM-related reforms which are largely based on neo-institutional economic theories. In Bhutan, the performance management system required a fiscal environment that would enable agencies to identify and set goals and targets. Bhutan, being largely dependent on aid and international donors for funds, made target-setting, both at an organisational and individual level, uncertain and challenging. The cultural context on which this book has focused is also very important. Paradigm-shift reforms are normally embedded with certain national and organisational cultures and values. If the cultures between the reforms and the country where the reforms are applied clash, then the paradigm-shift reforms are subject to failure. And if we were to agree with Hofstede's argument that national cultures hardly ever change, then the clash is likely to remain for quite a while. It is in such cases where a mismatch in culture occurs that paradigm-shift reforms are unsuccessful. The performance management component of the PCS sought to inject a performance-oriented culture into Bhutan's civil service. In doing so, it also came with strong Western values of competition and individualism, which clashed with Bhutan's strong collective values. Such clashes in culture and values between public sector reforms and the public administration system in reforms are applied lead to situations where characteristics of a particular paradigm cannot be applied in a neat and clear-cut manner.

A third factor resulting in hybridity in public administration is related to the dynamics of public sector reforms. When we compare reality to the ideal we see the hybridity of practice. In other words, when public sector reforms strive towards an ideal type, the challenges and the shortcomings in the policy towards the intended objectives lead to hybridity. Public sector reforms normally seek to transform the exist-

ing public administration system by incorporating characteristics of a new paradigm. The findings from this study show that the PCS faced major challenges in its implementation. In general, there was a lack of support from general civil servants. The main reason for the lack of support early on in the implementation of the PCS was because when the reforms were being formulated, the views of the general civil servants were not sought. Typical policy transfer-related problems of public sector reforms were also observed with the formulation of the PCS, such as being overly dependent on international advisors and consultants and not building the capacity of in-house experts. Also, the transition from the cadre system to the PCS was poorly handled resulting in confusion and dissatisfaction among civil servants. Such procedural problems, where the transformation from one paradigm to another is not smooth, result in public administration systems that are layered and hybrid in nature.

Looking Within for 'Good Public Administration'

The concept of 'hybridity' in public administration can also be explained by the concept of Drechsler's (2013) 'paradigmettes' which are a combination of various paradigms. Some paradigmettes combine aspects of the TPA, NPM and post-NPM paradigms or Western and Eastern paradigms. One paradigmette that describes Bhutan's public administration combined TPA, NPM and the patronage system. Another paradigmette relevant for Bhutan, and which is the main focus of this section, combines Western and Eastern paradigms. The Eastern paradigm discussed in this section, however, is neither Islamic nor Chinese public administration but is derived from Bhutan's traditional religious administration. Chapter 5 discussed the history of Bhutan's public administration, which was heavily reliant on both its political and religious history. The *choe-sid* system that *Zhabdrung* Nawang Namgyel established in the seventeenth century played a predominant role in establishing Bhutan as a nation-state. Although the *sid* (that is, the political administration) changed considerably with the establishment of the monarchy in 1907, the *choe* (religious administration) has largely remained intact. The present structure of the religious establishment (*Zhung Dratshang*) in Bhutan has at the top of the hierarchy the *Je Khenpo*, a post established at the start of the *choe-sid* system in the seventeenth century. Below him are five *lopons* or masters of various disciplines.

The *Je Khenpo* and the five *lopons* function as the executive within the *Zhung Dratshang* and are responsible for overseeing the responsibilities of other posts. Below the executives of the *Zhung Dratshang* are the heads of the *dzongkhag dratshangs* located in each administrative unit of the country, and the principals of the monastic schools. The present structure has not changed substantially from its original structure over the last few centuries.

The main reason why discussion on the religious establishment deserves closer analysis is because of the lessons that Bhutan's civil service can learn from it. Rather than always looking towards the experiences of other nations for examples of best practice, combinations of what constitutes a 'good PA' can also be based on practices within the country. Kickert (2011, 802) claims that 'history matters' and that historical traditions in state, politics, government and administration influence current developments. Turning to history to explain current trends is based on the philosophical tradition of historical institutionalism. Hall and Taylor (1996) define historical institutionalism as the formal and informal procedures, routines, norms and conventions embedded in the organisational structure of policy or political economy; and institutions are normally associated with organisations and the rules or conventions promulgated by formal organisation. A significant feature of historical institutionalism is the emphasis of path dependence on institutional development. Generally, historical institutionalists reject the view that operative forces generate similar results in all situations. Instead, they argue that operative forces depend to a large extent on contextual features, mostly institutional in nature, of a given situation that is often inherited from the past. It is these institutions that push historical developments along a set of paths, and historical institutionalists seek to explain how institutions produce such paths and how they impact existing state capacities and policy legacies (Hall and Taylor 1996). Often neglect of such path dependency features can impact the implementation of reforms. For instance, studies have shown that in countries where society was changing, with colonial imprints in the form of strong bureaucracy coupled with postcolonial moves towards indigenisation, there were obstacles to the adoption of so-called new public management reforms based on neoliberal ideologies (Common 2001).

Another advantage of a historical institutionalism perspective is that it helps in explaining convergences and divergences in public sector reforms. Hood (2000, 2) asks:

> Why, in spite of all the 1900s hype about overarching new 'global paradigms' of public service provision taking over the world, did we see substantial elements of diversity as well as commonality in public sector reforms across the developed world in the so-called 'new public management' era?

Hood (2000, 4) points out that debate about convergences and divergences in global reform models has not been productive because of the lack of an 'agreed metric' to gauge administrative convergence and 'precise language' to define convergences. On the one hand, those who argue that there are convergences tend to focus on use of technology and service-management issues; on the other hand, those who stress path dependency and historical differences tend to focus on state structures, political routines, and legal and constitutional forms.

The evaluation of the PCS undertaken in this research provided evidence that the performance management system component faced major challenges in its implementation. While one of the challenges was in the determination of outputs, the other major challenge was in the usage of the performance management system to distinguish high-performing civil servants. The problem of distinguishing performers from non-performers in Bhutan's civil service was prevalent in both the cadre system and the PCS. Even if the performance objectives of Bhutan's public administration in the near future seek to change from an NPM-related input/output focus to a post-NPM performance objective where multiple objectives including services, outputs, satisfaction and outcomes are measured, the challenge to distinguish performers from non-performers is likely to continue to remain. The main reason for this is because of Bhutan's collectivist culture and the smallness of the society within which the civil servants operate. In the evaluation of the performance management system of the PCS, one of the main concerns of the managers was positive ratings that were awarded to civil servants irrespective of their actual performance. It is within such an administrative context that Bhutan's public administration must also look within for suitable solutions. And one of the ways to do this is to learn from the performance management system that was been in operation for centuries within one of Bhutan's oldest organisations, the *Zhung Dratshang*. Unlike most other Tibetan Buddhist establishments where the tradition of reincarnations determines the senior leadership positions, Bhutan's *Zhung Dratshang* operates on the basis of meritocracy. Article Three of Bhutan's Constitution clearly specifies the appointment process of the *Je Khenpo* and the five *lopons*. The king of Bhutan makes

the final appointment based on the recommendations of a committee, of a person who is learned and respected in accordance with the qualities of spiritual master and accomplished in *ked-dzog* (i.e., stages of development and completion in Buddhist practice). The identification of performers in the *Zhung Dratshang* is based on a combination of experience, seniority, qualifications and other qualities. For the posts of *Rabdey Netens* and *Shedra Udzins* a minimum qualification of an undergraduate degree in Buddhist philosophy is required and other qualities such as administrative and public relations competence are important, especially for *Rabdey Netens*. Therefore, to find a performance management system that fits Bhutan's public administration, it is recommended to look for a suitable paradigmette that combines aspects of a performance management system in the Western paradigm with a paradigm based on the traditional religious establishment of Bhutan.

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Conclusion

One of the main purposes of this book was to examine the dynamics of public sector reform through investigating the implementation of the position classification system (PCS) in Bhutan's civil service. In doing so, the description of the 'dynamics' of policy provided by Capano and Howlett (2009) is useful to answer three key questions that connect the two parts of the book. First, through the aspect of the dynamics of policy that examines the debate over the revolutionary or evolutionary nature of policy change: What are the paradigms and ideal types in the field of public administration? Second, building on the unresolved dilemma of the scope and timing of the change: How do scope and timing influence the evaluation of public sector reforms? And finally, exploring a different view of the drivers of change and their forms of interaction: How do the drivers of change and their forms of interaction shape reforms? Throughout the book, I have answered each of these questions. More specifically, in Chaps. 2, 3, 4, and Chap. 5, I focused on identifying the paradigms and ideal types in public administration. The paradigm notion also helped in differentiating normal policy-making from paradigmatic change reforms. The ideal type typology proved its usefulness by mapping the Bhutanese public administration at different stages of its administrative history. The typology provided an insightful way to show how hybrid systems exist in reality. In Chap. 6, I provided answers to questions on the scope and timing of the evaluation of public sector reforms. By employing a mixed-method approach, I evaluated the PCS based on the perceptions of civil servants in

Bhutan. And in Chaps. 7 and 8, I focused on answering questions pertaining to the drivers of change and their form of interaction. Based on the experiences with the implementation of the PCS, I focused on some key points such as policy transfer, signalling of reforms, change management, stakeholder participation and the impact of culture and values. In the following sections, I summarise the main findings of the book by directly answering each of the research sub-questions.

What Are the Paradigms and Ideal Types in the Field of Public Administration?

A simple answer to this question would be that public administration generally has two main paradigms, traditional public administration (TPA) and new public management (NPM), as well as other emerging models. The TPA is largely based on Weber's bureaucracy, Wilson's politics-administration relationship and Taylor's principles of scientific management. NPM, on the other hand, derives its characteristics from neo-institutional economics and principles of management based on the private sector. In recent years, other models have emerged as post-NPM paradigms. Most of the models attempt to overcome the inherent weaknesses of the NPM and also solve some of the puzzles that the TPA and NPM paradigms do not address. In addition to these, I have also included the patronage system as a pre-paradigm period that serves as a platform for the emergence of a paradigm. Prior to the TPA, the patronage system existed as an incentive system based largely on political patronage. The patronage system still continues to be relevant for developing countries and countries with authoritarian regimes. In the field of public administration, however, there are debates as to whether or not these paradigms exist at all. In Chap. 3, I engaged in this debate, and observed that using the notion of paradigms based on Thomas Kuhn's concept of paradigms in the scientific field was complicated, particularly with regard to the incommensurability principle of the paradigm. Nonetheless, applying the concept of paradigms in the field of public administration was a useful rhetorical device and helped in drawing out notions of exemplars and paradigmatic changes. Based on the idea of exemplars of the paradigms of public administration, an ideal type typology was developed, and using the idea of paradigmatic changes, we observed that transitions in public administration are more evolutionary than revolutionary. Chapter 4 focused entirely on describing the characteristics of ideal types in public administration. The

ideal type typology examined the characteristics of the four paradigms and models of public administration. In particular, I described characterisation, the citizen–state relationship, accountability of senior officials, dominant focus/guiding principles, key attributes, preferred system of delivery, performance objectives and the role of public participation. This ideal type typology was particularly useful in showing the layering of different aspects of public administration resulting in hybridity in public administration systems. The concept of paradigms also helped in differentiating the impacts and tensions of paradigmatic change reforms and normal policy making reforms or incremental reforms.

As evidence of the usefulness of the ideal type typology based on the paradigms of public administration, I compared the Bhutanese public administration against the typology of ideal types. Through a historical description of Bhutan's public administration in Chap. 5, I demonstrated how various combinations of hybridity occurred at different stages of its history. For instance, from the 1950s (that is, since the inception of socio-economic development) until 2005 (that is, before the PCS was implemented), Bhutan's public administration comprised a paradigmette of the patronage system and the TPA. After 2006, with the implementation of the PCS and other governance-related reforms, Bhutan's public administration comprised a paradigmette of TPA, NPM and the patronage system. In Chap. 6, I also engaged in debate over whether various components of the PCS were revolutionary or evolutionary. In this respect, the PCS was a perfect example of a combination of public sector reforms that included sets of both evolutionary (normal policymaking) and revolutionary (paradigmatic change) reforms. The two categories of the components of the PCS, as either normal policymaking (which included classification of position and occupational groups, recruitment, selection and promotion system, and human resource development) or paradigm-shift policy (which included performance management system and remuneration and benefits), helped to segregate the interactions, influence and tensions of the PCS reform.

How Does Scope and Timing Influence the Evaluation of Public Sector Reforms?

Again a simple answer to the research sub-question of how the scope and timing influence the evaluation of public sector reforms would be that scope and timing influence the evaluation of public sector reforms con-

siderably. For instance, when I conducted the opinion survey in 2011, it had already been five years since the PCS was approved for implementation in 2006. During this period, the overall perceptions of the civil servants towards the PCS had changed. In the initial years, the PCS was severely criticised and was blamed for weakening the Bhutanese civil service. However, by 2011, perceptions had changed and a large number of respondents viewed the PCS positively (41 % positive and 10 % very positive views of the PCS against the 14 % negative and 4 % very negative views). This change in perceptions towards reforms is an important factor to consider when deciding when to evaluate reforms. Generally, as pointed out by Pollitt and Bouckaert (2004), reforms can take anywhere from three to five or more years before the benefits of a change are visible. Thus, in Chap. 7, I posited that the change in perception towards the PCS over the years meant that the reforms needed a few years to settle. I also argued that one of the key challenges in evaluating the PCS reforms was determining the time frame within which to evaluate the reforms, and that evaluations needed to be conducted at several phases of the implementation to get a more robust evaluation of the success or failure of the changes.

To determine the influence of scope on the evaluation of public sector reforms, I examined the entire spectrum of the policy process in the formulation and implementation of the PCS. The existing literature on policy evaluation points to various challenges when determining policy success or failure, such as in determining what the goals and objectives are, and disconnection between various aspects of the policy process in the public sector reform process. The literature also points to gaps in post-reform evaluations. In Chap. 7, I evaluated the PCS based on the policy processes and the type of policymaking. The evaluation of the policy processes included examining findings on the formulation, transition management and implementation of the PCS. The findings showed that the PCS generally followed the policy cycle process with agenda setting, reform formulation, decision-making and implementation processes in place. However, there were some issues in each of these processes. In the formulation phase, the scope of the reforms changed substantially when managers, consultants and focal persons were replaced. From just being a classification exercise in 1999 when the PCS was first conceived, by the end of 2005, the PCS was a comprehensive tranche of public sector reforms. Other issues in the formulation stage of the PCS were the weak capacity of the focal persons and the lack of opportunities for civil servants to provide

feedback. In the implementation process of the PCS, what comes across as a major weakness is the poor management of the transition from the Cadre System to the PCS.

Evaluating the PCS based on the type of policymaking helped in determining when change could be considered fundamental or marginal. The classification of the components of the PCS as normal policymaking and paradigm-shift policy revealed the different dynamics of the reform. The normal policymaking aspects that included components of the PCS sought to bring changes in the Bhutanese civil service within the characteristics of the TPA paradigm, and the paradigm-shift policies that included those components of the PCS which attempted to move from the TPA paradigm to the NPM paradigm. With the normal policymaking components of the PCS, the findings showed that only minor problems were faced during implementation. For instance, in the implementation of the classification of positions and occupational groups, findings showed that not all job descriptions were constructed properly and certain positions were not included in the position directory, thus, making the implementation difficult. Similarly, in the case of another normal policymaking component of the PCS, that is, the recruitment, selection and promotion component, the open competition process led to a loss of professionalism as applicants with a specialised skills or qualifications could not be denied the opportunity to apply for another vacant post which may or may not require that particular skill or qualification. When evaluating the paradigm-shift policies of the PCS, however, the dynamics were quite different to those of the normal policy-making components of the PCS. The paradigm-shift policies of the PCS included the performance management system and the remuneration and benefit components. The remuneration and benefit component, however, was not approved for implementation due to probable financial implications. In Chap. 7 I provided evidence to support the idea that the implementation of the performance management system faced major challenges. Some of the key challenges faced were in the difficulty in identifying targets and appraising performance. While it was required that managers and employees sit together to determine targets and rate performance, in reality, the joint sitting never took place. Also, managers found it challenging to rate employees poorly, thus making it difficult to differentiate high performers from non-performers. I argued that in the case of the paradigm-shift policies, the main obstacles towards smooth implementation were contextual and cultural factors that contributed towards a complex dynamics of public sector reform.

How Do the Drivers of Change and Their Forms of Interaction Shape Reforms?

Based on the evaluation of the PCS in Chap. 7, the answer to the question of how the drivers of change and their forms of interaction shape reforms is that, as with most institutional reforms, 'it depends'. And in the case of the PCS and its implementation in Bhutan's civil service, I posited that the nature and impact of the reform depends, first on socio-economic and political and cultural factors, and second on cultural factors. Due to the importance of contextual factors in the dynamics of the PCS, I spent considerable time discussing them in Chap. 8, and I summarise them here. Before engaging in the contextual discussions, I examined some key topics based on the experience of the implementation of the PCS in Bhutan. I categorised them under the heading Drivers of Change in Chap. 8 and included topics such as policy transfer, signalling and symbolism of the reforms, and change management and stakeholder participation. Most of these topics are common issues that most countries, both developed and developing, face when implementing reforms. The PCS exhibited typical policy transfer-related problems by depending on international advisors and consultants for ideas. Signalling games and symbolism were also common with the PCS, which was announced as the 'new civil service order'. The transition from the cadre system to the PCS, which was a critical exercise in ensuring the success of the PCS, was largely ignored. The reform formulation process did not engage in a wider arrangement with its key stakeholders.

A significant contribution to the literature on the dynamics of public sector reform based on the experience of the PCS in Bhutan that I add is the emphasis on the importance of considering the culture and administrative context that public sector reforms are applied within. In Chap. 8, I argue that the normal policymaking components of the PCS did not face serious challenges to impede their implementation, whereas in the case of paradigm-shift reforms, it was important to consider the contextual and cultural prerequisites. I emphasised the importance of the political and economic contexts, particularly when implementing NPM-related reforms based on neo-institutional economic theories. A case in point to illustrate the importance of context was that the performance management system required a favourable fiscal environment that would enable agencies to identify and set goals and targets. In the case of Bhutan, the uncer-

tainty of donor funding made it difficult to plan and identify targets. I also emphasised the importance of the cultural context when implementing reforms. In general, paradigm-shift reforms are normally embedded with certain national and organisational cultures and values. For example, the performance management system based on the NPM emphasises strong Western values of competition and individualism. Based on Hofstede's VSM 2008, I generated scores for the cultural dimensions of Bhutan, which showed that Bhutan is a very collective society. I argued that it was when such cases of mismatch in culture occurred that paradigm-shift reforms were unsuccessful. As a consequence of the dynamics of the PCS, Chap. 8 connected the findings of the book to the broad literature on public sector reform. In doing so, it examined the trajectories of public sector reforms and showed how there are convergences and divergences in reform pathways. This book showed that convergences in reform patterns occurred mostly at the theoretical level, whereas it was at the implementation level where there were divergences, and these divergences were mostly on account of contextual and cultural differences among countries or public administration systems.

As a result of the dynamics of public sector reform and the nature of public administrative systems, an important contribution this book makes is to offer reasons that lead to hybridity in public administration. While the extant literature points to the accelerating pace of public sector reforms due to the developments of ideas, demands and structures of a nation as one of the main causes of hybridity in public administration, based on the experience of the implementation of the PCS in Bhutan, I argue that hybridity in public administration can also be explained by two other causes. The first cause can be seen when we compare reality to the ideal, and we see the hybridity of practice. With the PCS, the shortcomings of the implementation of the performance management system provided a good example of this. In an ideal situation, the performance management system was to function according to the output-based NPM paradigm but in its implementation, it functioned similar to the input-based TPA paradigm. The second cause of hybridity in public administration is dependent on the type of public sector reforms. Depending on whether or not they are normal policymaking or paradigm-shift reforms, the impact of reforms differs depending on the prevailing context and culture of the public administration. I argue that it is challenges in the implementation of paradigm-shift reforms that enable hybrid systems to exist.

Policy Implications of the Book

An underlying justification for choosing PCS as a case study for the book was that it would serve as a basis for the next era of reforms in Bhutan. Based on the findings of the book, a set of policy implications is highlighted for Bhutan's civil service. Two sets of recommendations are proposed. The first is a long-term vision for Bhutan's civil service and the other is a set of immediate actions that need to be introduced to rectify some of the problems that occurred with the PCS or the PCS was unable to solve.

A Vision of the Civil Service Based on the Next Era of Reforms

Bhutan's civil service is currently on a path towards incorporating NPM-related reforms. Implementing the performance management system component of the PCS was one of these NPM-related reforms. Prior to the implementation of the PCS in 2006, some NPM-related reforms had already been initiated, such as the privatisation of state-owned enterprises and delinking some agencies from the government. Since 2006 there have been other NPM-related reforms, and one of the most recent is the signing of performance compacts. In recent months, the Prime Minister of Bhutan has signed numerous performance compacts with the *dzongkhags* and soon performance compacts will also be signed with ministries and agencies (Kuensel 2014a). Another NPM-related reform is to delink agencies from the civil service and create autonomous agencies. In the past, mostly those agencies that were directly involved in commercial activities were delinked. An example is the Bhutan Power Corporation, which was involved in the distribution of electricity produced by hydroelectric projects, and was delinked in 2002. In 2011 the Royal University of Bhutan was delinked from the civil service, and the primary reason given for granting it autonomy was to 'strengthen management and improve service delivery' (Kuensel 2014b). However, the autonomy of the Royal University of Bhutan has raised issues about whether this will 'open a Pandora's box'; there has been comment that the 'precedent will not bode well for a small country like Bhutan' (Kuensel 2014b). Blackman et al. (2010) echo a similar view and argue that the small size of the country could actually facilitate effective implementation of a cen-

tralised strategic human resource management policy instead of working at various levels. Thus, the civil service of Bhutan, rather than following the NPM pattern of reforms, could opt for a whole-of-government approach to merging or even centralising the civil service. In doing so, Bhutan's public administration would be skipping linear pathways of paradigmatic changes. Public sector reforms need not always choose a particular set of paradigms. Although the paradigms of public administration have developed in a linear pattern, it is perhaps wrongly indicative of a step-wise progression. This systematic evolution might work in theory or in some countries. But Bhutan's experience reveals that this is not always the norm. It is generally expected that systems based on TPA would evolve into the NPM paradigm which would then continue to change. In Bhutan, only certain aspects of NPM have been incorporated. It may be the case that the system will move on to incorporate new features of the emerging paradigms simultaneously. Whether or not this step-wise progression is necessary is another point highlighted by the Bhutanese case. As some features of the paradigms are moving in a somewhat cyclical manner (e.g., the move from centralisation in the TPA to decentralisation in NPM and back again to some form of centralisation under new trends such as whole-of-government), it may make sense for the public administrative system in Bhutan to skip steps to move to the next level.

If properly implemented, centralisation of human resource functions, which is one of the key features of the TPA, need not necessarily be outsourced to the private sector or delinked from the civil service. Since changes are taking place fast in the Bhutanese polity, it might be the case that a skip is desired in the public administrative system to remain in tandem with economic and political changes. The UN (2005, 61) points out that such 'leap-frogging' is possible and there is certainly a 'latecomer advantage' in public administration where governments 'need not wait until a fully-fledged, functioning traditional public administration is in place in those priority areas before implementing NPM initiatives'. They caution, however, that government must have in place 'vital accompanying administrative support and infrastructure relevant to each particular problem' (UN 2005, 61). Therefore, in order for the civil service in Bhutan to adopt a whole-of-government approach, the RCSC must be seen as a facilitative body rather than as one attempting to grab and centralise power.

Immediate Policy Recommendations

With the experience of the implementation of the PCS in Bhutan, and particularly the initial negative reaction to the reforms, the government was cautious about any new reform initiative. An example of this was the rejection of the recommendations of the organisational development (OD) exercise initiated in 2007 by the RCSC. According to O'Flynn and Blackman (2009, 133), a bold initiative was attempted by the Bhutanese government to implement the OD exercise as a 'system-level change' beyond its typical use as a 'planned change approach'. The OD initiative, which was nearly as comprehensive as the PCS, was not approved for implementation by the government. O'Flynn and Blackman (2009), whose study was conducted while the OD exercise was still being formulated, had already warned of possible challenges and tensions in the implementation of the reform. Furthermore, with the PCS, an official of the RCSC commented that all new legislation such as the Civil Service Act of 2012 and subsequent revisions made to the civil service rules and regulations have avoided mentioning the term 'PCS' (R1). However, irrespective of whether or not the term 'PCS' is used, problems still remain in the system that either resulted from the PCS or the PCS was unable to resolve. Some of the key problems that the next era of public sector reforms must resolve are the following:

1. Issue of performance management: Presently, the Bhutanese civil service continues to be challenged by the problem of how to identify and distinguish performers and non-performers. The findings of this book have also demonstrated that the processes and forms of the performance management system were quite comprehensive, and that it was in the evaluation of these forms where there was a problem. The culture and context within which these forms were evaluated made it challenging for the managers to effectively evaluate their staff, thus leading to a situation where there are large numbers of staff rated as outstanding. A strategy to rectify this problem could be a situation where agencies are required to identify a certain number of high-performers and low-performers (e.g., the top 5 % or 3 % and the bottom 5 % or 3 %). The rest of the staff get an automatic promotion based on fulfilling the minimum number of years of service required in a particular position. All staff would have to continue using the performance management system forms

to help staff identify goals and targets and also to help agencies choose those civil servants in the top and the bottom categories. For those in the high-performing category, the agencies would have to provide strong justifications for their nominations and submit them through their human resources (HR) committees to the RCSC for final approval. Of the total nominations received by the RCSC, it could then select a targeted number of approvals each year. For those who had been selected as high-performers, they could get one to two years' out-of-turn promotions and also be nominated for civil service awards. For those in the lower non-performing category, if their names were submitted consecutively for two or more years then an appropriate human resource action would be taken. It must be noted that there should not be any penalty as managers would again face a moral dilemma about meting out negative actions. So in such cases where poor performance is identified, those civil servants should be counselled, sent for in-country training or transferred to another agency. However, the Bhutanese civil service needs to be mindful that at some stage of the performance management system, performance management must be connected and implemented together with performance pay (i.e., applying the performance bonus component of the rejected remuneration and benefit system).

2. Issue of stagnation and professionalism: The findings of this book showed that two points of stagnation in the Bhutanese civil service can be observed on account of the PCS. The first stagnation point was at the P1 position level, which is the one step below the executive and specialist category. The specialist category is used as a temporary outlet, which defeats the purpose of creating a highly specialised and skilled group of civil servants as specialists. The other point of stagnation is at the S5 level, which is one step below the professional and management category. The only way for those in the S5 level to move was to upgrade their qualifications which resulted in the loss of a particular skill set. Therefore, to address problems of stagnation and loss of professionalism, it is recommended that the number of position levels in the operations, supervisory and support and specialist categories be increased. There should also be provision to move laterally along the same position category or move laterally into another position category. Moving vertically allows people to retain their professionalism and at the

same time earn a higher wage rate. And the provision to move later-
ally provides flexibility for the civil servants to consider a change if
desired.

Although the Bhutanese government might see the need for more sys-
temic reforms in the public sector, these recommendations are proposed
in light of the experience of the implementation of the PCS. As shown in
this book, undertaking a comprehensive reform such as the PCS is a major
challenge. It has also been suggested that 'vertical reforms' which focus
on specific public sector organisations are more likely to succeed than
are 'horizontal reforms', that is, reforming administrative systems across
the whole civil service (Andrews 2008). In addition, and particularly in
the context of developing countries, public sector reforms should 'only
address a few problems at a time' because of scarce financial, human and
political resources (Andrews 2008, 178). In such cases, it makes sense to
focus on sequencing the reforms rather than all at once, and implementing
easier reforms first and then focusing on more complex reforms, or within
the current scenario focusing on reforms that require only incremental
changes to the public administration system.

Global Theoretical Implications of the Book

In Chap. 1, the significance of this research was outlined as contributing
to the extant literature on public administration in three main areas. The
first was to use the notion of paradigms to identify the various ideal types
in public administration and also to explain hybridity in public administra-
tion. The second area is in the evaluation of public sector reform. And the
third is recognising the importance of culture and context when imple-
menting public sector reforms. This section discusses each of these three
main theoretical contributions of the book.

Using Paradigms to Explain Ideal Types and Hybridity in Public Administration

Drawing upon the Kuhnian notion of paradigms applied in the field of
natural sciences, this book examined paradigms in public administration.
In addition to the existing paradigms of public administration, the TPA
and NPM paradigms, the book also explored some emerging models of
public administration such as governance models and public value man-

agement models. Based on these paradigms and models of public administration an ideal type typology was also developed that highlighted the characteristics of public administration systems. An important original contribution of the book to the ideal type typology is the addition of the characteristics of the patronage system. Using a paradigmatic approach in public administration has helped shape discussions in the book in two ways. The first is in explaining hybridity in public administration. Through Bhutan's history of public administration, the book demonstrated that it has long been hybrid in nature. While prior to the 1960s, it was mostly based on the patronage system, since the 1960s, the Bhutanese administrative system has had a mix of characteristics of the patronage system and the TPA paradigm (between 1960 and 2006), and in recent years, a mix of TPA, NPM and traces of both the patronage system and some new emerging models.

The second useful way in which a paradigmatic approach helped shape the discussions was the notion of paradigmatic change and the identification of public sector reforms as either normal policymaking or paradigm-shift reforms. Public sector reforms often comprise a bundle of reforms. In such cases, it is important to separate them as either normal policymaking or paradigm-shift reforms in order to determine the dynamics of the reforms. The experience with the implementation of the various components of PCS in Bhutan showed that normal policy making reforms are relatively easier to implement than paradigm-shift reforms. This is of course assuming that all other factors of the policy design and implementation, such as the formulation, change management and implementation aspects of the reforms, which are important to consider in their own right, have no major issues. Segregating the PCS into two categories helped in troubleshooting and focusing on the main problems of the various components of the PCS rather than just making a blanket assumption that PCS had failed entirely because of issues with one particular component of the PCS.

EVALUATING PUBLIC SECTOR REFORMS

A theoretical implication of the book is towards evaluation of public sector reforms. Using a mixed-method approach that included a series of in-depth interviews with elites in the Bhutanese civil service and an opinion survey with civil servants across the country, information was generated that was used for the evaluation of the PCS. In the evaluation, the book

used a revisionist approach to policy evaluation. The revisionist approach basically seeks to take a holistic approach to evaluation by examining the process, programmatic and political dimensions of policy. Although an evaluation of the political dimension was not possible on account of the PCS operating in a setting where the political system was still under the monarchy, a thorough evaluation of the process and programmatic dimensions was conducted in the book.

In the field of policy evaluation, Sanderson (2002, 6) points out that evaluation research is used more conceptually than instrumentally 'reaching decision makers in unsystematic and diffuse forms'. This book speaks to that gap in the literature and connects the evaluation of the PCS to how it can serve as a basis for future reforms. The book is also one of the few empirical studies that has used the revisionist approach to policy evaluation in the field of public administration. Such a holistic approach to evaluating the effect of public sector reform based on the experience of the evaluation of the PCS reveals some important points around evaluation of public sector reforms. First, it is difficult to determine whether or not a reform can be strictly said to be either a success or failure. The evaluation of the PCS showed that that each component of the PCS had a different result and perceptions of the reforms varied for each of the actors affected by the reforms. Second, the variables that influenced the outcome of the reforms depended on different dimensions. For the PCS, the process dimensions were important factors that influenced the implementation of the reforms. One of the important factors that influenced the implementation of the PCS was the lack of stakeholder participation, which made it a challenge to get people's buy-in when implementing the reforms.

Importance of Culture in Public Administration

Another significant contribution of the book has been to demonstrate the importance of culture in public administration. In doing so, the book generated original data for Bhutan using Geert Hofstede's Values Survey Module (VSM 2008) and used it as a basis for comparing the culture of the countries on which the PCS was based. The experience of the implementation of the PCS showed that where values related to the components of the PCS matched the culture of Bhutan there was less resistance to change, and where there were culture clashes, there was more resistance to change. The lesson to be learnt in this case is to emphasise the fact that one size public sector reforms do not fit in all instances. Although a cli-

ché, public sector reforms that work for a particular country or group of similar countries do not necessarily work for other countries. Analysts and practitioners may refine practices from prior reforms or superimpose them on each other, for instance, instead of drawing solely from the principles of NPM and creating a departure from past traditions of public administration (Page 2005).

Another lesson to draw from the experience of the PCS is that countries must learn not only from abroad but also from within the country. The field of public administration is rife with policy transfers taking place continuously and at different levels. In this respect, comparative analysis of public administration practices, structures, functions and behaviours in different countries helps to advance administrative knowledge and improve the reliability and applicability of public administration knowledge (Jreisat 2010, 612). While exchanges of ideas take place between developed nations, and the level of interaction is two-way, policy transfers are mostly one-way in the case of developing nations, that is, from developed nations to developing nations. The PCS, to a large extent, was based on public sector practices in other countries. The experience with the implementation of the performance management system of the PCS highlighted the need to adapt reforms to suit the Bhutanese cultural context. It is precisely when such a mismatch occurs that countries need to look for examples either within the country or in similar countries that share common paradigms. It is here that Drechsler's (2013) notion of an Eastern paradigm is helpful. Using Bhutan as an example, to rectify some of the problems faced in the design of a performance management system that suits the Bhutanese context, it may perhaps make sense to look to its centuries-old religious establishment. Bhutan's early public administration in the seventeenth and eighteenth centuries was largely influenced by *Zhabdrung* Nawang Namgyel and his dual system. The religious order (or *choe*) still exists in its original form. With an elaborate and hierarchical organisational structure, the *Zhung Dratshang* has an embedded system of promotions that it awards within its ranks. The Bhutanese civil service could look towards the *Zhung Dratshang* for a workable solution to its performance management system. In effect, the public administration system should seek the paradigmette that best describes itself to suit the local political and cultural context. Brandsen and Kim (2010, 372) recommend that public sector reforms must fit 'into cultural templates' and be 'polysemous' (that is, open to many interpretations) if they are to be successfully implemented. In this respect, using the ideal types as a typol-

ogy is helpful to determine the ideal type that would best suit the needs of a particular country. Rather than identifying characteristics of only one paradigm, public sector reforms should strive towards a synthesis of public administration with the best characteristics.

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Appendices

Appendix I: Description of Respondents to the In-Depth Interviews

Appendix Table A   Description of respondents to the in-depth interviews

Formulation	International advisor	Coordination	Implementation	Others
R1		R1		
R2				
R3				
R4			R4	
R5				
			R6	R6 (Historical Anecdote)
R7		R7		
R8			R8	
			R9	
			R10	
R11				
R12			R12	
			R13	
R14			R14	R14 (Historical Anecdote)
		R15	R15	
			R16	

(*continued*)

Appendix Table A   (continued)

Formulation	International advisor	Coordination	Implementation	Others
R17			R17	R17 (Historical Anecdote)
			R18	R18 (Historical Anecdote)
				R19 (General perspective)
				R20 (General perspective)
R21		R21		
R22	R22			
			R23	

APPENDIX II: ANALYSIS OF OPINION SURVEY RESPONDENTS

The Bhutanese civil service comprises ten ministries, four constitutional agencies, 17 autonomous agencies and the administrative staff of the two houses of Parliament and Judiciary. As of June 2011, the Bhutanese civil service comprised a total of 23,170 people and 901 out of the total were on contract (RCSC 2011). As per the definition prescribed by the Civil Service Act of 2010, civil servants include those who are registered with the Royal Civil Service Commission but exclude those who fall into these categories: elected representatives, holders of Constitutional Offices and members or Commissioners, judges of all courts under the Judiciary, Attorney-General and personnel of the Armed Forces, including the Royal Bhutan Police. The total also does not include Elementary Service Personnel and General Service Personnel, who comprised 4474 people, and also those employed by state-owned corporate entities. Each civil servant is placed within one of 20 major occupational groups. There are four main position categories in the Bhutanese civil service: executive and specialists, professional and management, supervisory and support, and operational. And these four main position categories are broken up into 20 position levels.

A total of 728 surveys were sent to the civil servants, which according to Krejcie and Morgan (1970) represents a good sample size for a population size of 23,000 civil servants (for a population size of 20,000, the minimum sample size required is 377 and for a population size of 30,000, the minimum sample size is 379). Out of the total of 728

surveys that were sent out, there were 245 respondents, that is, a response rate of 34 %. Appendix Table B shows the total number of employees, number of surveys sent and the response to the surveys by the respective agencies. Of the total respondents, 61 % of them were located outside the capital city, and 66 % of them were males. The agencies with higher response rates were smaller agencies such as the National Statistical Bureau (100 %), Office of Attorney General (83 %) and the Royal Institute of Management (71 %), whereas larger agencies such as the Ministry of Finance had only a 13 % response rate. The higher response rate for the Ministry of Education could be explained by the fact that teachers comprised a higher percentage of the overall civil service strength. The main reason for the higher response rate for the Office of Attorney-General and the National Statistical Bureau was due to the fact that these were relatively smaller organisations and were conveniently located in the capital city. The agencies with a low response rate were the Ministry of Finance and National Land Commission Secretariat which each comprised 2 % of the total respondents. The reasons for the poor response from the Ministry of Finance staff could not be explained even though it was one of the first agencies to which the survey was sent and in spite of the fact that a large majority of its staff were based in Thimphu or nearby urban towns. With regard to the National Land Commission Secretariat, the timing of the survey coincided with the majority of the staff being out of their main office in Thimphu, as they were on special assignment conducting the cadastral survey of the country.

Appendix Table B Respondents by agency

Agency	Total employees	Total sent	Total responded	Response rate (%)
Ministry of Agriculture and Forests	3280	95	23	24
Ministry of Education	7740	87	28	32
Ministry of Economic Affairs	524	56	22	39
Ministry of Finance	1620	39	5	13
Ministry of Health	2699	76	18	24
Ministry of Home and Cultural Affairs	1267	49	19	39
Ministry of Information and Communications	704	42	14	33
Ministry of Labour and Human Resources	337	39	15	38
Ministry of Works and Human Settlement	1586	68	18	26
National Land Commission Secretariat	315	42	4	10

Appendix Table B   (continued)

Agency	Total employees	Total sent	Total responded	Response rate (%)
Gross National Happiness Commission Secretariat	100	21	11	52
Royal Institute of Management	64	21	15	71
National Environment Commission Secretariat	61	14	8	57
National Statistical Bureau	54	14	14	100
Office of Attorney General	96	12	10	83
Royal Civil Service Commission Secretariat	54	23	9	39
Royal Audit Authority	198	30	12	40
TOTAL	20,699	728	245	

It will also be useful to compare the responses in relation to the surveys sent based on other demographic variables, such as age, gender, location, qualifications and their major occupational group and position level in their respective organisations. Of the total respondents to the survey, 34 % were female. The highest number of respondents belonged to the age group 25–29 years (27 %), followed by 40–49 years (21 %). The age group that had the least number of respondents was the category younger than 20 years (1 %), followed by those 20–24 and 50–59 years (which had 6 % each). With respect to the qualifications of the civil servants, the highest number of respondents had a high school certificate (28 %) followed by a master's degree (21 %).

Comparing the respondents based on their location either in the capital city, Thimphu, or outside Thimphu, the number of respondents was higher for those who were located in Thimphu (61 %) (refer to Appendix Fig. A). Although the responses are proportionate to the number of surveys that were initially sent out, they are disproportionate to the actual strength of the civil service, that is, only 33 % of civil servants are based in Thimphu. The reason for the discrepancy is that a large number of teachers who comprise a major portion of the civil service are based outside Thimphu. When selecting teachers, every fiftieth name was selected so that the responses would be balanced in terms of the composition of the respondents.
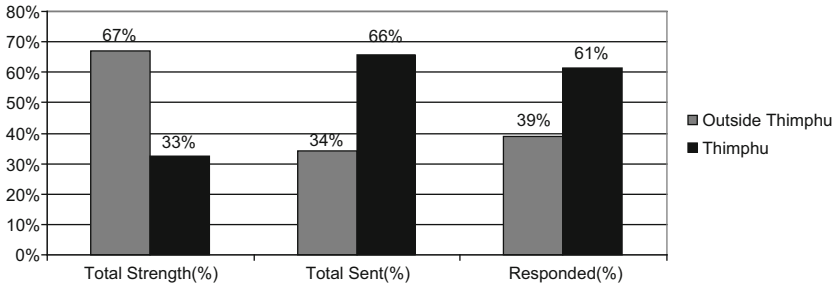
Appendix Fig. A Responses based on location

In terms of the major occupational groups, education and training, general administration and support, and planning and research groups had better response rates, with the first two groups receiving 17 % of total responses and the third group receiving 13 % of the responses. The occupational groups with poorer response rates were the architectural and engineering group which comprised 9 % of respondents and the finance and audit group which comprised only 4 % of respondents. The position level in the supervisory category S5 had one of the better response rates at 13 % of the total surveys. On the other hand, the position levels S1 and O4 (in the operational category) had poorer response rates (8 % and 1 % respectively).

Statistical Analysis of the Responses

A binary logistic regression of the survey was conducted using the unique response identity number. The sample population was categorised into two groups: 'Yes, responded' and 'No, did not respond'. In the regression model, the binary variable whether civil servants responded or not was the dependent variable, and the independent variables were major occupational group, position level, agency and location. All the independent variables were based on ordinal data, and for purposes of the regression, they were converted into dichotomous variables. The regression resulted in a Pseudo R-Square result of 0.14 and the p value of the chi-square (for the overall goodness of fit) is significant at the 0.01 level (p value < 0.001) (refer to Appendix Table C).

Appendix Table C
Regression results of the responses

Variable	ß-coefficient	P-value
Major occupational group		
Education and training services	1.56	0.09
Location		
Mongar	1.45	0.04
Samdrup Jongkhar	2.13	0.03
Sarpang	1.18	0.08
Position levels		
O2	1.95	0.04
S5	1.70	0.046
S4	1.77	0.052
P3	1.80	0.055

Based on this result, it can be concluded that whether respondents chose to respond to the survey or not was not random. The table generated from the data of the regression output presents the variables that are statistically significant. The Education and Training Service Group was the only major occupational group which had a statistically significant result at the 0.1 level (*p* value is 0.09). Its coefficient was 1.56, which meant that those civil servants belonging to this group (*n* is 92) were more likely to respond. In terms of the location of the civil servants, those located in Mongar, Samdrup Jongkhar and Sarpang districts were more likely to respond to the survey (*n* are 26, 8 and 40 respectively). The districts of Mongar and Samdrup Jongkhar had statistically significant *p* values at the 0.05 level (0.04 and 0.03 respectively), and Sarpang district had a statistically significant *p* value at the 0.1 level (0.08). The capital city of Thimphu (*n* is 436) did not have statistically significant results. When it came to position levels, those civil servants in O2 of the operational level (*n* is 17), S5 and S4 (*n*'s are 70 and 46 respectively) at the supervisory and support level and P3 (*n* is 47) at the professional and management level were more likely to respond to the survey. Their results were statistically significant at the O2 and S5 position levels at the 0.05 level (*p* values of 0.04 and 0.046 respectively) and at the S4 and P3 position levels at the 0.1 level (*p* values of 0.052 and 0.055 respectively).

To reconfirm the non-randomness of the responses to the survey, a *t*-test of the means comparing the predicted probability of respondents to that of non-respondents was conducted. The *t*-test result was large enough to reject the null hypothesis that there is no difference in the means between those who responded to the survey and those who did not respond to the survey (*p* value is < 0.001). This also means that the responses were not random.

Appendix III: Respondents to the VSM 2008 by Agency in Australia

Appendix Table D   Respondents to the VSM 2008 by agency in Australia

Agency	Numbers
ACT Education and Training Directorate	6
ACT Government	7
ACT Government Chief Minister and Cabinet Directorate	2
ACT Government Health Directorate	1
AusAID	3
Australian Customs and Border Protection Service	1
Australian Securities and Investments Commission	6
Comcare	1
Commonwealth Department of Resources, Energy and Tourism	1
Department of Education, Employment and Workplace Relations	2
Department of Family and Community Services	1
Department of Finance and Deregulation	1
Department of Health Services	2
Department of Immigration and Citizenship	1
Department of Industry, Innovation, Science, Research & Tertiary Education	2
Department of Justice	1
Department of Sport & Recreation WA	3
Department of Transport (VIC)	2
Disability Services Commission (WA)	1
NSW National Parks and Wildlife Service	7
NSW Office of Environment and Heritage	9
NT Department of Mines and Energy	1
Queensland Government	1
Sustainability, Environment, Water, Population and Communities	1
Transport for NSW	2
Victorian State Government	1
Missing	9
TOTAL	75

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