

Editorial

Of Making Choices and Managing Changes

“ Our nation stands at an exciting crossroads ... we are challenged to manage unprecedented change.’ Lyonpo Sonam Tobgye, Chief Justice of Bhutan was speaking to a group of 50 senior government officials attending a three-day workshop on Change Management on the 9th May 2005.

The crossroad that Bhutan confronts cannot be overemphasized. Such historic moments in the life of a nation challenge its people to make choices. Choices that would greatly shape the destiny and the path that a nation would take. Nations have fallen to disaster and nations have ascended to great heights of progress through the choices that it made. Bhutan today is challenged to make the choice standing at a momentous crossroad paralleled by very few in its arduous history of nation building.

Choices it must make because everything, all around is changing. Be it individual or a nation, one cannot stand still at the crossroad too long. Winds of change could blow you out for good. Pervasiveness of globalization, quantum advances in technology, integration of economies and proliferation of new knowledge have impacted individual, communities, societies and nations.

We must create new approaches to govern. Innovate ways to conduct businesses. Provide new services and goods that meet the new needs. Forge new alliances. Strike new equations.



The thrill of Change

Change the way we educate our children. These challenges exact societies to have vision, to be creative, to be resilient and to preserve and above all else be responsive to change. After all “It is not the strongest species that survive, nor the most intelligent, but the ones who are most responsive to change.” (Charles Darwin)

Decentralization, Good governance, public sector reforms, Geog based planning, position classification and draft constitution are the choice that we are making. Inspired from the throne, which has provided impeccable leadership, it is now the responsibility of the public service, the private sector, the community and every citizen to take the choices forward.

The 50 senior public servants attending Change Management workshop, who regarded themselves as change agents are perhaps bestowed a noble opportunity to influence the road that the nation takes from this crossroad.

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Course In Focus - PGCFM



POST GRADUATE CERTIFICATE IN FINANCIAL MANAGEMENT (PGCFM)

Course Objectives: The PGCFM course aims to assist public and private organizations by:

- § Building the strengths of human resources in the areas of finance and accounts
- § Developing the auditing skills required in executing the auditing tasks of the Government and corporate organizations
- § Enhance the analytical skills for effective decision making capabilities of the Finance personnel in the government and private sectors
- § Meeting the requirement of the skilled human resources in the Department of Revenue and Customs specifically.

Duration: 12 months (From Jan. – Dec.)

Designed for: Candidates who have been selected to pursue career in the areas of finance and accounts selected through the selection process of the PGCFM.

Learning Areas: In addition to two-months of field immersion/attachment, PGCFM provides the following learning areas/modules that are divided into four semesters (a semester consists of three months):

Human behavior in Organizations
Commercial Accounting (theory & Practice)

IT applications
Research Methodology
Corporate Finance
Public Administration
Government Financial Management System
Cost and Management Accounting
Revenue Accounting and Auditing
Project Management: Logical Framework
Tax administration
Companies Act
Govt. Accounting (Principle and Practice)
BAS (Budgeting and Accounting System)
Auditing (General & Government)
Development of Enterprise

Learning Outcome: Upon completion of the course, the participants will be able to carry out;

- i. The role and responsibilities of assistant finance officers in the National Finance Service and finance managers in corporate and private sectors.
- ii. Auditing responsibilities in Royal Audit Authority
- iii. Manage projects of any kind efficiently and financial planning and budgeting of their employers
- iv. Carry out the roles of tax administrator and revenue officer in DRC

Change Management – Success Factors

(Excerpts from the guide on how to manage change in an organization. Excerpted from the document written by Phil Harding. This guide is published on www.oursouthwest.com)

Factor 1. Pressure for change

(the top down approach)

“Leadership is getting others to do what you want them to do because they want to do it” – Eisenhower

Firstly there must, of course, be pressure for change—a driving force. The need for change has been identified, the decision to proceed has been taken, and this now needs to be communicated throughout the organization.

Pressure for change could be senior management commitment from the outset, but it may have come from customers or clients in a supply chain. It could come from a regulatory regime, the implementation of a particular system or policy or, (and this can often be the most effective source), pressure from the workforce itself.

Who wants to work for an organization that has developed a notorious reputation for something negative? It is widely accepted that when people take a pride in the organization they work for, they perform better and will more readily put themselves out to help achieve corporate goals.

For success, however, regardless of where the original pressure came from, senior management commitment and drive for change is essential if momentum is to be maintained for effective implementation.

The rest of the organization will need to be convinced of the need and the case for change – this is dealt with in more detail in Factor 2 (A clear shared vision). Only this can happen to good effect if senior management, including the people at the very top, are collectively behind the changes sought.

“Our character is what we do when we think no one is looking”

- *H Jackson Brown (Jnr)*

Senior management must be seen to be fully supportive by what they do and say – both privately and publicly. If, however, senior management “talks the talk” by failing to back up their statements with action and a continuous commitment, progress can soon stall. Other conflicting or new priorities emerge and the momentum can be lost if senior management fail to remain fully supportive of the project. So, get senior management signed up to the change.

And communicate this to all staff – giving them the opportunity to feed in their contributions and feel that they have joint ownership of the change being implemented. A new or improved policy can be the signal to staff that things are changing, and that they have a role to play in making this happen. It’s their agenda too. It’s in their interests and in the interests of the organization that the changes are made. This is where a clear, shared vision (Factor 2) is essential.

Factor 2. A clear, shared vision

“As a manager the important thing is not what happens when you are there, but what happens when you are not there” – Ken Blanchard

For change to be effective, it needs to be implemented at all levels; embedded in the culture of the organization. To keep colleagues with you and not against you they need to be motivated, and you need to understand what motivates them. You should never forget that change is a major cause of stress amongst the workforce. Staff will usually respond well to challenges (that they feel they can meet!); it’s fear of the unknown that raises stress levels. Getting staff motivated to support the changes that are to be implemented is therefore crucial for success.

Staff, their managers and senior managers are all motivated by similar things. They do not, however, necessarily place them in the same order of importance. These ‘motivators’ include pride, happiness, responsibility, recognition, security, success, and, of course, money. /the trick in successfully managing change and getting the commitment and support from staff is to provide these ‘motivators’ for your staff – or at least as many of them as possible. Here are some tips, questions and ideas to help you.

PRIDE

“Follow where your enthusiasm takes you”

When was the last time you {or senior management} told or showed your staff how proud you are of what they have achieved?

The performance of your staff can drop significantly if they feel unappreciated or taken for granted.

Staff that take pride and some level of enjoyment in their work and working environment are much more likely to perform well and provide new ideas for improving the organization's own well being.

HAPPINESS

"A happy team is an effective team"

A culture where laughter is permitted and encouraged can make all the difference in helping everyone get through the day. A caring approach to your staff can reap many benefits; because if they know their employer cares about them as individuals then they will be more likely to care about the employer's interests.

Taking the approach of *'treating others as we would wish to be treated ourselves'* is the 'golden rule' for strengthening and improving relationships between everyone at all levels in the organization.

RESPONSIBILITY

"It is amazing what you can accomplish if you do not care who gets the credit" – Harry Truman

Giving people more responsibility is a demonstration of trust. If people feel they are trusted they usually respond by taking greater care and pride in their work. Will management then take responsibility when things go wrong? – Or does it have a blame culture?

SUCCESS

"Success in your life is not a single achievement. It's all that you do with others and for others"

We all have slightly different views on what constitutes success. But there can often be common factors such as market profile, corporate reputation and product quality. A useful exercise here is, following a presentation on why change is being undertaken, to ask staff, individually or in small focus groups, what they have as a vision for the company/organization and also for themselves as individuals. Good questions to get things going are:

- (i) What or where are you now?
- (ii) What or where would you like to be?
(ask teams to apply these questions to the company as well as themselves)

A facilitated discussion can ease out where ideas overlap and demonstrate where common ground exists and can be strengthened.

RECOGNITION

"When the leader's work is done, the people say we did it ourselves" Lau Tzu

Are your staff valued and made to feel part of the

organization's success? Even when times are hard? When was the last time you took time out to say 'thank you' to staff at all levels of the organization for their individual contributions? To ignore this important motivator would be a serious error; and could result in losing the support you need when implementing change.

SECURITY

"You do not lead people by hitting them over the head – that's assault, not leadership" – Eisenhower

Whenever change is being implemented the fear factor can set in. This can be the fear of change itself and its consequences such as the possible loss of job security or loss of responsibility or control. Continuous, honest and open communication is essential here. Change can take people out of their 'comfort zone' and raise their stress levels. The challenge is to demonstrate that the new 'zone' is even more comfortable and secure – or at least it will be once the initial short-term discomfort of implementing change has been overcome.

Factor 3. Capacity for change (resources)

"More business is lost every year through neglect than through any other cause"

Jim Cathcart

Capacity here means resources and these are staff time and, where appropriate, money. To implement change you need to identify the resources that will be required before you proceed and make sure these are provided. Often, the cost benefits from implementing efficiency measures and waste minimization programmes can provide the financial resources for an ongoing programme of improvement. It is usually the organization's own employees that have the information, intuition, ideas and instincts necessary for implementing change effectively. When given the capability and the opportunity to participate in improvement programmes, it is employees who often can find the greatest cost savings and efficiency improvements.

Factor 4. Action

"We are what we repeatedly do. Excellence then, is not an act, but a habit" – Aristotle

Having got the other three factors in place (pressure, a clear shared vision and Capacity) you now have to implement the planned change.

"Energy is equal to desire and purpose" – Sheryl Adams

Highlights of campus Events

Management Development Workshop



Dasho Bap Kesang inaugurates the workshop

Bhutanese public servants must steer the national development programmes. Public servants must champion reform process. Public servants must lead and manage change. Public servants must be policy analyst, consensus builder, dialogue facilitator, E managers, negotiators and leaders.

These expressions of the 20 participants set the rationale and tone for the 4 - day workshop on Management Development (MDP) organized by the RIM on the 18th may, 2005.

The national and public sector reforms taking place in the country and the changes taking place globally impacts significantly on the Bhutanese public service. Such impacts entail changes in the basic role and scope of the public servants. Competencies in the form of knowledge, skills and attributes therefore need to develop in tune with the changing roles and scope of the public servants. Older competencies are increasingly rendered obsolete.

The MDP workshop facilitated by Dr. Tess of the Asian Institute of technology, Thailand, was organized to outline a model for Management Development for the Bhutanese public service. The model is expected to provide a systematic guidance to address the capacity development need of the Bhutanese public servants in the areas of management.

PGCFM at the Gasa Tshachu



PGCFM with Trash

Situated in one of the most remote dzongkhags, Gasa tshachu is a popular hot spring bath for the old and the young alike.

The most popular hot spring of the country, Gasa Tshachu lured our PGCFM trainees on the 6th may, 2005 as it does a lot of Bhutanese.



Enroute-Gyen Damji

The old come for its antidotal benefits for such pains as ruematism, artherities and other skin problems. The young prefer the fun and the frolic of group bathing in the hot spring water besides the trek to reach the bathing spot.

For our 30 PGCFM trainees, exhausted by a semester of assignments, group work, projects, lectures and presentations, the Gasa tshachu was a welcome enticement.

The two days of hot bath was more a mental cleansing than a physical one. The PGCFM accompanied by the course director, Pema Wangdi, also cleaned up the Gasa tshachu spot.

PGCDM wins inter – course football tournament

At the 90th minute the whistle proclaimed the victory of teamwork over mere hard work. In what is observed as an exciting match, team coordination of PGCDM proved a better mettle over energy and perseverance of the PGCFM.

“PGCDM is expected to win. What is not expected is that the PGCFM would put up such a competitive and fierce fight” said an observer watching the final of the RIM inter – course football tournament on the 19th may, 2005.

Sonam Tobgay (PGCDM) and Pema Wangdi (PGCFM) were adjudged the best players of the tournament, which was participated by 7 teams including the faculty team.

Volunteers attend Orientation Programme



Butter Lamp Offer

A total of 10 volunteers from the JICA, UNV and SNV are attending the 10-day orientation programme, which began on the 25th May 2005 at the RIM. During the orientation, the volunteers would be briefed on the Bhutanese history, culture, developmental programmes and government policies. The volunteers who are technical specialist and professionals would work in various government agencies.

Change Management – Lessons from the Zhabdrung

By Norbu Wangchuk, RIM



Norbu Wangchuk
Sr. lecturer

*“What is born will die,
What has been gathered will be
dispersed,
What has been accumulated will
be exhausted,
What has been built up will
collapse,
and what has been high will be
brought low”*

Lord Buddha

That everything will undergo change is perhaps the most potent wisdom imbibed by Bhutanese from the teachings of the Buddha. The modern day Bhutanese managers now need to extend the application of this wisdom beyond the spiritual and into the world of management.

Impermanence of all things is the essence of management of change. If change is inevitable, the only recourse managers are left with is the management of change itself. Change is the harbinger of progress. Change is opportunity. Change is progress. Yet unmanaged change is disaster. It is regression. It is an enemy to society's development. It can ruin a nation just as an unmanaged disease can kill a person.

Few lessons on managing change are perhaps almost permanent. These lessons on change management can be discerned from the works of a great 17th century creator, manager and advocate of change. The Shabdrung Nawang Namgyal. This article highlights Shabdrung's contribution in the field of public administration reforms and as the builder of nationhood.

The Bhutan civil service has undergone changes in its evolutionary path to today's modern civil service. The evolutionary trajectory of the rudimentary civil service from the times of the Shabdrung till today has been remarkable story of excellence in management of change.

Civil administration in Bhutan until the time of the Zhabdrung in the 17th century was greatly shaped by the geo political situation then. Bhutan was divided into many small principalities and fiefdoms ruled by local rulers. There were several kings who ruled different parts of the country. The pastoral and subsistence agricultural activities formed the basis of livelihood of the people. The system of administration



The Zhabdrung

greatly differed from one region to the other depending on the locale and the type of leadership. The localized civil administration functions emanated from the residence of the rulers. The predominant civil functions were arbitration of disputes and collection of taxes. Much of Zhabdrung Nawang Namgyel's contribution in the 17th century was in his engagement in building the nationhood. The principalities and the fiefdom existing in different parts of the country had to be consolidated and brought into the mainstream structure of a nation. Thus the numerous Dzongs established by the Zhabdrung served to provide the national spirit and the structural requirement besides the national security roles they fulfilled.

A civil service system that served the national priorities of the time had to be conceived, implemented and managed. Thus a civil administration, which would propagate spirit of nationhood and provide uniformity in governance framework had to be developed.

The Zhabdrung Nawang Namgyel consolidated the administration system of the country and brought it under one uniform governance framework called the 'Cho-Si-Lug-Nyi'. Under the overall guidance of the Zhabdrung, the Je Khanpo conducted the spiritual affairs of the country while the Druk Desi governed the secular affairs.

The Zhabdrung established the political Institution of Druk Desi in 1651 under which the Lhengye Tshok and the Central Monk Body were vested with the power to elect the Desi. This institution provided the governance for the country for two hundred and fifty years till the establishment of the hereditary monarchy in 1907.

A council of ponlops known as the 'chilas' assisted the Druk Desi. The 'chila' members were Paro Ponlop, Trongsa Ponlop, and Daga Ponlop. Each Ponlop governed their respective region as representative of the Zhabdrung.

A significant success of the Shabdrung's civil administration system is fostering nationhood. This success story is in great part a story of the

management of change. Change from a country almost unrecognizable into a country with characteristic features of a nation. Bringing about such transformation can be attributed to the personal wisdom, personality and perhaps destiny of the Zhabdrung. However, certain management lessons can be discerned from the change management processes that the Shabdrung undertook.

1. A Worthwhile Vision



Punakha Dzong

Transformation that was to change the very future of a country, engage every sections of the society and impact every single individual in a nation must surely have a compelling driving force. That driving force was Shabdrung's vision. A vision where the country would be unified into one nation state. A vision where people would progress and be protected as one people.

A vision is a mental picture of the future state where the journey of change or transformation would culminate. Therefore the future state should elevate the present conditions. The future must be a worthwhile pursuit. The future state should be ridden with promises of a better life.

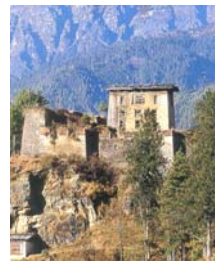
A worthwhile vision is itself a great force. It has the latent force to compel coalition; garner support and influence behaviors and attitudes. Shabdrung's compelling vision drove human energies to build massive Dzongs without nails, win battles with rudimentary weapons, and manage governance without skills. It was this vision that ennobled human spirits, elevated aspirations and dreamed the undreamt.

2. A Strong Coalition

Many a worthwhile vision would be lost in the oblivion of a creative brain unless other parties share it. Any change and transformation process can only proceed with involvement of the mind and heart of those who will make the vision a reality. Winning minds and hearts starts with communication. The vision needs to be communicated. People must share the vision and see themselves being a part of that vision. People would rally behind the vision if they were enabled to perceive themselves as being a part of the vision. Shabdrung's vision for Bhutan transcended individual interest. People gave their self for the

greater good of a country. Sacrifices in blood and sweat are evidenced in the colossal structures, extensive network of administration, foiled invasions. Such a potent rally from all levels and sections of the society must have begun from the belief in the vision. The Shabdrung had been an effective communicator who transcended the mere histrionics of an orator. He was a transformer of minds, manager of strength and inspiration of dreams.

3. Institutionalized Change Agent



Drugyal Dzong

Human spirit, energies and motivation are exhaustible resources. They need to be created, channeled, sustained, reinforced and redirected constantly. Change process calls for the change in the way human energy is put into use. These exhaustible resources should be put to optimal use. One important approach in managing human energies in all its forms and guise is to institutionalize the change agents. Such an institution of change would provide framework, systems, guidance and mechanisms, which are all aimed at making the best use of the resources to achieve the vision.

Change agents would include any functions and factors that augment change processes. Functions and factors would vary according to the content and the context of the change being initiated.

The Shabdrung identified sustained leadership and a uniform public administration system as two of the most important change agents for his vision of a unified Bhutan. An institution of leadership in the form of the "Druk Desil" was thus conceived. The Druk desi structure of leadership had a Druk desi govern the temporal aspect of the nation while the Je khenpo would look after the spiritual domain.

The Shabdrung, himself was at the helm of this system of governance and provided advice to the two structural leaders. The druk desi system of leadership despite its own weaknesses provided sustained leadership to the country for 250 years. The civil administration system based on the Cho sid lug Ngi system had also been institutionalized with recognizable structure, system and processes. The Shabdrung ensured that the entire

country adopted the same system of civil administration. Institutionalizing a uniform civil administration system ensured above all else - consolidation. It was consolidation of numerous

geo political based administration systems into a nationally recognizable civil administration system. The cho sid Lug ngi system of civil administration carried forward the Shabdrung's vision of a nationhood state.

Change Management – Bhutan's quest for best practice



(This poem was written and recited by Dr. Tan Tay Keong of the Singapore International Foundation (SIF) in dedication to the participants of the three-day workshop on "Change Management – Governance and Reform – organized by the RCSC and the SIF from 9th to 11th may, 2005.)

“Nothing is permanent, except change itself”
Impermanence permeates our world, Lord Buddha did tell.
As society and technology advances rapidly...
Civil servants must look ahead and manage strategically.
Senior public servants are the backbone of the Royal Government.
They make policies and run organizations that impact communities and citizens.
Good HRM requires appropriate recruitment, appraisal, and development policies,
But human capital building and knowledge management will help increase public sector capacity.
Managing organizations strategically is a complex mission.
The core strategy lies in a clear and shared vision.
Public leaders can develop incentives and KPIs for good results,
You must be attuned to citizens' needs to avoid governing from the clouds.
Decentralization can empower the Dzongkhags and GYTs,
Local units can better target programmes with operational autonomy.

But for them to undertake the added responsibilities at a distance,
They will need central guidance, coordination and Technical assistance.
Leaders may be heroes, motivators, influencers or pioneer citizens,
In change management you must pay attention to risks and resistance
Whether you are autocrats, democrats, bureaucrats or technocrats in style,
You must work hard to mobilize the rank-and-file.
The world is looking to Bhutan to pave the way to the Good Society,
GNH seems to provide the roadmap to development and sustainability
But the tenets of GNH needs to be operationalized
Before policy levers can bring about our Paradise.
Reforms are fraught with risks and uncertainty,
But they drive Bhutan's future development and shape its destiny.
There are no simple blueprints or silver bullets for strengthening governance,
But your vision and action, over time, can make all the difference.

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