

# Public Personnel Administration Reform: Effect on Civil Service Management and Innovation in Lao People Democratic Republic

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## Abstract

Public Administration reform has been a key development within the Lao civil service since the early 1990s. Against the backdrop of a demanding internal and external environment, the civil service is implementing widespread reform and modernizing activities in an innovative mode while facing internal human resource-related challenges that include a low level of capacity across the civil service. Government's vision of an efficient and effective civil service, there is a requirement to continue to engage in the public service strategic planning to increase the level of civil servant capacity to deliver high-quality service to personnel administration. Addressing this critical issue has required new approaches that ensure that the inherent challenges have met with solutions that have real potential to impact successfully at a fundamental level. Recognition of the importance of improved Public Administration Reform has resulted in the creation of a Civil Service Management Strategic Framework which draws on Lao and international best practice and provides agencies with an enabling tool for reform. Within this framework, many innovative and far-reaching public personnel activities have been initiated and improved in Public Personnel Administration. These are ongoing in accordance with the legislative framework, guided by the Civil Service Management Framework, and evidenced by the wide range of reform activities. While Public Personnel Administration reform activities are ambitious, they are also firmly grounded in focused, but innovative, outcomes which support the continued development. This article explores two such examples of innovation, highlighting how they act as critical drivers in the process of civil service modernization and reform through the short, medium and long-term development of civil service capacity. The draft National Training and Development Framework and the Personnel Information Management System incorporates the systematic allocation and alignment of resources with implementation coordination, quality control mechanisms, and the application of modern technology. Such an approach addresses not only potential training delivery and knowledge management. However, this approach also provides for the critical linkages to job descriptions, an effective performance appraisal system, and the provision of pertinent management information to support timely decision making and future manpower planning.

**Keywords:** Civil service management, Public administration reform, Capacity development, and Innovation

## 1. Introduction

Lao PDR is a land linked country bordering Cambodia, China, Myanmar, Thailand, and Vietnam. About 6.8 million people live in its 18 provinces, with most people-63 still living in rural areas while urbanization is occurring at a rate of 4.9 percent each year. The country is mostly mountainous, with the most fertile land found along the Mekong plains. In recent years, the country has considerably opened, ratifying six out of the nine core human rights treaties, producing a more conducive legal environment for civil society, and actively pursuing regional and global integration. The Lao PDR joined the Association of Southeast Asian Nations (ASEAN) in 1997, recently became the 158th member of World Trade Organization (WTO) in February 2013 and is undertaking steps to accede to the ASEAN Economic Community (AEC) in 2015. The 7th National Socio-Economic Development Plan (2011-2015) has resulted in a focus on high economic growth that benefits all people as remarked by the Government in the Round Table Meeting (RTM 2014). The successful execution of the 7th NSEDP and the MDGs has brought "impressive levels of peace, stability and social order as well as economic growth rate" to the country (GoL 2014). Achieving the MDGs is incorporated as a mean goal of the next plan, an overall target of graduation of the Least Development Country (LDC) status by 2020.

Civil service reform has been a key activity within the Lao public service since the early 1990s and governance improvements have become a central element in the National Growth and Poverty Eradication Strategy. Against a backdrop of a demanding internal and external environment, the civil service has been implementing widespread reform and modernization activities, while facing internal human resource-related challenges which include a generally low level of capacity across the public service. In recognition of such reform challenges, the Government of Lao PDR released a policy paper on Governance Issues in April 2003. One of the four sections of this policy document is entitled "Improving organizational and individual performance in government to enhance service delivery to the people", and directly identifies the key role which strengthening capacity building activities will play in achieving the Government's vision of modernization and development.

Much of the current socio-economic and administrative reform agenda has contained within the 7th

National Socio-Economic Development Plan (2011-2015). This plan emphasizes the importance of growth with equity and stresses the need for government, including the public administration machinery and the legal system, to be accountable, effective, efficient, transparent and responsive. The Strategic Plans on Governance (2003, 2006-2010) has only emphasized the need to re-examine progress to date, and to develop innovative solutions which will support civil service reforms, thereby contributing to development targets in a meaningful way. The plans emphasize the Government's commitment to building "an effective, efficient, well-trained, honest and ethical public service that is able to meet the needs of the multi-ethnic Lao people". Both the NSEDP and the Strategic Plan on Governance thus provide the basic enabling framework for strengthening the operation of the respective arms of government and enhancing participation and the rule of law. The governance plan has stressed the need to improve organizational structures without compromising security, to simplify administrative standards and procedures, to improve human resource management and to upgrade the skills of civil servants to improve their effectiveness, efficiency, and ethical behavior

This article examines the importance of improved public personnel administration reform which has resulted in the creation of a Civil Service Management Strategic Framework. The framework draws on Lao and international conceptual and best practice, and to provide with an instrument for reform. In this context, some new ideas or innovative and activities have been initiated, and ongoing improved in the public personnel management system and their development capacity. This research carries out within the qualitative analysis of conceptual of capacity and improvement in the public personnel administration sector, which is derived from the policy on public administration reform, guided by the civil service management framework and evidenced by the wide range of improvement activities. While Public Personnel Administration reform activities are ambitious, they are also firmly grounded in focused, innovative and outcomes that support the continued development. An evidence of far-reaching activities and initiated the two samples of innovation have been explored, such the draft National Training and Development Framework (NTDF) and the Personnel Information Management System (PIMS) by highlighting how they act as critical drivers in the process of civil service modernization and reform through the short, medium and long-term development of civil service system and capacity development. The research has illustrated that the NTDF and PIMS incorporated the systematic allocation and alignment of resources with implementation coordination, quality control mechanisms and the application of modern technology. An approach addresses not only potential training delivery and knowledge management. However, the approach also provides for significant linkages to job descriptions, an effective performance appraisal system, and the provision of pertinent management information to support timely decision making and future manpower planning.

The introductory section provides a rationale growth of Lao PDR, which affected the implementation, resulted from national policies and developed efficient approaches to produce and provide better services to improve public service value. The second section identifies a review of some relevant literature. The third section describes the research methodology used here. Fourth, the analysis section examines some key findings and empirical results of the administrative and civil service management systems performance. And follow by the discussion section. Fifth, introduces the initiated on civil service management strategic framework that is explored to the two innovative approaches-NTDF and PIMS, and these are incorporated and alignment to the initiated structure before moving to the conclusion.

## **2. Literature Review**

Revitalizing the civil service is a considerable challenge for most countries-a challenge that will require a combination of a long term strategy and short term measures. To build a network of practitioners, academics, think tanks and the private sector to contribute to the development and public –sector-related reform, governments can greatly enhance the sustainability of these efforts. Many countries and with different cultural, historical and political backgrounds either have recently or are currently in the process of undertaking significant reforms of legal, policy, regulatory and normative frameworks governing employment in the public sector. The objective of these reforms is usually to achieve better efficiency, accountability and responsiveness in the public service through, in some instances, more open, adaptable employment frameworks while preserving the benefits of continuity and institutional recall, commonly considered essential strengths of closed career-based systems. Therefore, the governments need to move towards the development of open, adaptable employment frameworks. Meanwhile, they need to ensure that frameworks are equitable and well structured and promote the maintenance of the traditional ethos and a high level of accountability in the public service, including the impartially, professionalism and long-term perspective of civil servants. It was acknowledged that no country could replicate the reform of another country; adaption of reform measures to the local context would always be required. Developing should therefore pursue a cautious approach when it comes to the adoption of civil service systems originating in more economically advanced countries. How the civil service system will balance the principles of political neutrality of public servants and professionalism will ultimately depend on the country's specific socio-economic and political context as well as the nature of the challenges facing the public service. Whilst the

questions are fundamental to design of any civil service system, there is consensus that human –resource management frameworks in the public service should always promote high ethical standards and responsiveness as well as the application of the merit principle in recruitment and promotion (UN 2005).

*Conceptual and Definitional of the Capacity* is the ability of individuals, institutions and societies to perform functions, solve problems, and set and achieve objectives in a sustainable manner. Capacity Development (CD) is, therefore, the process through which the abilities to do so are obtained, strengthened, adapted and maintained over time. In the context of this understanding, *institutional and administrative capacity* can be defined as the set of attributes related to both structural/systemic attributes and human capital/resources that, collectively, define the organization’s ability to perform its role of functions. Within the public service, feature of capacity are the quality of civil servants, organizational characteristics, the diffusion of ICTs between organizational units, the intergovernmental relations, and the mode of interaction among government and its social and economic environment. In the context of this definition, institutional capacity building can be defined as the provision of technical or material assistance designed to strengthen one or more elements of organizational effectiveness. The elements of organizational effectiveness have been included the governance, management capacity, human resources, financial resources, and service delivery. At the national level, institutional capacity is often used as shorthand for a country’s administrative and management capacity, mainly with respect to implementing economic policy choices (UNDP, 2007, 2011).

World Bank underscored the role of capacity building in poverty reduction as:

An effective poverty reduction strategy process and a productive partnership can be built only on a platform of strong public capacity: capacity to formulate policies; capacity to build consensus; capacity to implement reform; and capacity to monitor results, learn lessons, and adapt accordingly. Building the requisite capacities turns out to be a formidable challenge. For these reasons, enhancing the capacity of Lao PDR has risen to the top of the national’s development agenda (WB 2003).

### **3. Research Approach and Methodology**

This article captured in quantitative and qualitative research and provides broad detailed information. To collect the information, we have used primary and secondary data. The primary data was collected by using questionnaires and dialogues with direct stakeholders, including the main implementing agency-Ministry of Home Affairs, the Governance and Public Administration Reform project team, officials at the ministry and local levels. The secondary data was collected from available documentations such as reports, statistics, strategies, decrees, resolutions, guidelines and academic literatures. The questionnaires were prepared and distributed to both the policy-makers and implementers. Identification of these issues and priorities were made through analysis of development plans and reports issued by the government of Lao PDR.

### **4. Findings and Discussion**

#### **4.1 Findings**

##### **4.1.1 Administrative System**

The Government of Lao PDR is based on a single-party system in which the Lao People’s Revolutionary Party (LPRP) has a “leading role” as enshrined in the Constitution of 1991 and reaffirmed in the 2003 Constitutional amendment. Under a single-party system there is a chance between the political and executive arms of government: rather government is the administrative arm of the Party, which determines policy through an all-powerful Politburo and Central Committee alongside a Cabinet of Ministers presided over by the Prime Minister, functioning under the State President and Vice President. The Party, the military and the Government form the basis of the democratic centralist power structure of Laos established machinery.

The Prime Minister is head of government and also a member of the Politburo. All senior officials in government are Party members and the Party decides all ministerial appointments. Ministers are appointed by the National Assembly on the recommendation of the Prime Minister and the Party. Each minister nominates vice ministers and departmental heads within his ministry, who must then be approved by the Party leadership and then by the PM. The ministers, deputy ministers and a number of senior members will generally constitute the leadership group within the ministry. The currently Council of Ministers comprises the PM, four Deputy Prime Ministers and seventeen Ministers of ministries and three equivalent ministries, includes the Head of the Government’s Office, the President of the Government Inspection Authority and the Governor of the Central Bank.

The executive arm of government is responsible for implementing and enforcing government policies, programmes and projects through seventeen Ministries and three institutions with ministry status. The executive administration has the authority to issue binding decrees to assist with the process of implementation and enforcement of policies and laws. Most ministries have de-concentrated structures that interact with 17 provincial administrations, including the Vientiane Capital and 148 districts covering about 9,000 villages and

1.057 *kumban or cluster of villages (MOHA 2013)*. The central and local levels of every ministry and provincial administrations, and there is active recruitment of promising young professionals into the organizations. Active involvement in the organization assists promotion within the executive.

#### 4.1.2 Civil Service Management System

The public service has guided by the regulations contained in the PM Decree 171 of November 1993. Initial attempts at addressing central-local roles and responsibilities were not particularly successful. For example, PM Decree 01/ 2000, which focused on central-local relations, has done little to clarify the roles and responsibilities of sub-national units of government. The entire six-page advisory note simply reiterates government policies beginning in the early 1990s to recentralize and then de-concentrate central authority. As a result, the interpretation and implementation of PM 01 has been undertaken in a minimalist way and many administrative and fiscal impediments remain as a major challenge to local development and inter-government relations.

To strengthen the public service and address various weaknesses, in October 2003 the Prime Minister issued Decree 82/03 on public service regulations with supporting instructions. The instructions set out the responsibilities of public servants at central, provincial and district levels. Central administration has macro level responsibility for the public service throughout the country and is expected to develop strategic and public administration development plans based on the directives, plans and policies of the Party. Ministries and provinces are then supposed to formulate their plans to implement central policies and strategies and as such, undertake functions on behalf of the centre and provide periodic reports. Responsibility for management of the civil service lies with the MOHA.

At present the instructions supporting PM Decree 82/03 provide the strongest evidence of a centralized system of administration. Districts do not have management responsibility for the public service. They execute functions on behalf of provinces and report on all matters to provinces. This represents a major challenge for districts, which have to deliver a range of public services with little or no managerial autonomy. This constrains performance and effectiveness of service delivery. Whilst the decree instructions provide a list of responsibilities for all levels of administration, there is insufficient clarity on how these responsibilities are shared between the various tiers of administration, especially in relation to matters of policy making, implementation and oversight. Furthermore, although headcount management is at the centre, the instructions are silent on the responsibility for managing the financial resources required to maintain the civil service establishment. The Law on Local Administration of October 2003 does to strengthen the PM Decree 82/03 in terms of the division of responsibilities for policy making, oversight and implementation. The requirement for dual reporting lines (ministry and province) as described in Article 10 of the law, adds to the ambiguity in terms of roles/responsibilities and does little to address the historical tensions in centre-province relations.

Base on the finding found that in FY 2012-2013, there is about 156,500 civil servants, including 68,100 females. These are including teachers and health staff, work in the public administration system. Around 82,500 staff (44percent female) work at district level with a further 28,666 (35percent female) at provincial level and 21,297 (44percent female) at central level. More than 52 percent of all civil servants work in the education sector, only 10percent in the health sector, 6 percent in agriculture and just 2 percent in public works. Nearly two-thirds of all civil servants are below the age of 40. Observation, the civil servants have been increased compare to 120,686 in 2010. There is 35,800 people or equivalent to 29,7 percent, including 18,690 female or equivalent to 37,8 percent compares to 120,686, including 49,415 female. The number at ministry-ministry equivalent (central) is increased 5,160 or equivalent to 26,5 percent, 2,353 female or 31,4 percent. At the local level, there is increased 30,680 or equivalent 30,3 percent, including 16,339 or equivalent to 39 percent. In this increased number, at provincial level has been increased to 6,101 or equivalent 25,8 percent, including 2,984 females or equivalent to 33,5 percent. At the district level, is around 24,579 or equivalent to 31,7 percent, including 13,355 female or equivalent 40,4 percent. In sum, notably the number of civil servants has been increasing each year and in particularly at local level which is covered to 84,2 percent of the total numbers of civil servants (MOHA 2013).

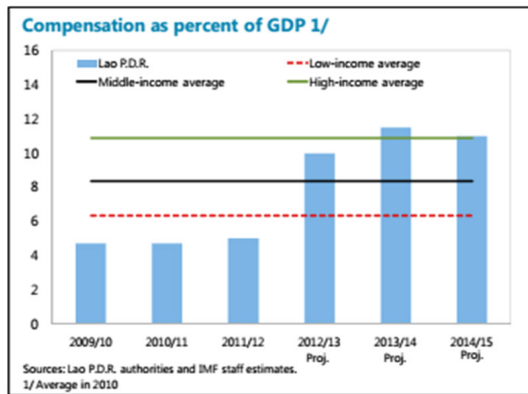
Significantly, in 2009/10 a total of 10,180 additional staff were recruited, although ministries had requested an additional 30,000 staff. The MOHA issues an annual circular on staffing needs known as the “Staff Quota Instruction,” requesting bids from ministries and provinces for additional staff, based on net increase after retirements and other sources of attrition. Once it receives the envelope for staff numbers provided by the MOF Budget Department, it distributes the increases to ministries who in turn allocate the new staffing. The criteria used by MOHA for allocating staff increases are broadly based on workloads as assessed by ministries, as well as policy priorities. A degree of misalignment of staff and budget allocations may be detected at the provincial and district levels. Whilst the funds for district education and health services are included in the budgets of the provincial education and health departments, staffing decisions are made by the provincial governors, who may decide to allocate new staff to other activities. The MOHA maintains a central database of all civil servants and is currently piloting a new integrated personnel management information system known as the PIMS. The total wage bill of the Civil Service accounts for just under 5 percent of GDP.

In this matter, since October 2012, MOHA has implemented the Examination Recruitment System throughout the country, the examination recruitment approach is one of strategy to strengthen the civil service system more accountability and transparency. However, this approach still ongoing process and have many constrains to improve in its regulation and content and context of examination.

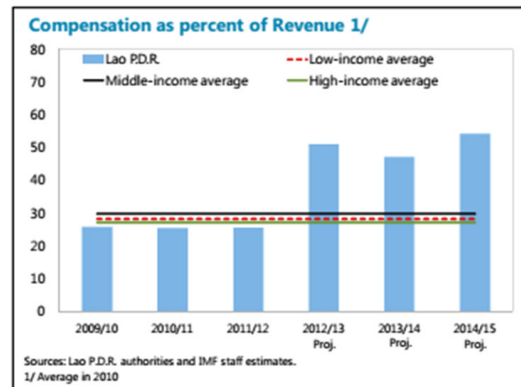
The civil service staffing structure is based on five grades, ranging from clerical and support staff (Grades 1 and 2) to professional staff (Grades 3-5). Each grade is further divided into 15 steps matching respective points on the salary scale. Progression within each grade is based on seniority (i.e. a step increment every two years of service) or educational qualification. Salaries are extremely low and highly compressed across a range from \$50 to \$150 per month (World Bank 2010; MOHA 2011), which is still low among ASEAN countries. The salary range is highly compressed from entry level at Grade 1 (405,000 kip) to final level at Grade 5 (1,263,000 kip) with a mere threefold increase in salary from the lowest administrative support staff post to the highest professional post. Interestingly, the minimum wage for manual workers in the private sector has recently been raised from the equivalent to Grade 1 of the civil service to the equivalent of Grade 3.

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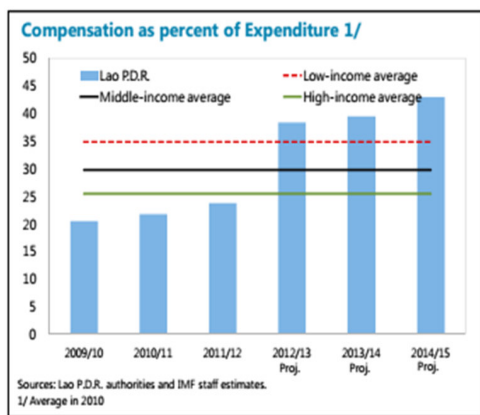
Notably, in the figure year 2012-2013, the government started to implement a large increase in salaries and benefits for public employees, as part of the plan to increase the compensation of public employees over three years from 2013-2015—the civil service salary index rose by 37 percent in 2013 and is expected to rise by the same percent each year in 2014 and 2015, and the benefits (salary supplements) rose by 140 percent in 2013, this increase was reversed in 2014, bringing benefits back to level of 2012. The increase has been justified to attract workers with the required skills and to discourage turning to outside employment to supplement incomes. A recent study (World Bank 2010), found that compensation from the formal salary for civil service workers was well below private sector comparators. However, when the calculation took into account intangible benefits, such as fewer hours worked and lower work demands, more stable employment and earnings, in-kind benefits, housing and education allowances, and opportunities to supplement incomes through per-diems, the private sector premium disappeared. Nevertheless, the study also documented a strong perception among civil servants that their remuneration was not sufficient to cover even basic expenses. Thus, the compensation doubled from 5 percent of GDP in 2012 to 10 percent of GDP in 2013, well above the level of 6.3 percent for LICs. In term of revenue, compensation rose over the same period from 25 percent to 50 percent, well above the low-income average of 28 percent and in terms of expenditure, the compensation rose from 24 to 38 percent, above the low-income average of 35 percent ( Figure 1, Figure 2 and Figure 3). However, the evidence for the increases is mixed has to pause, especially a large increase benefits of 760.000 kip (equivalent USD100) per month for public employees could implement only one year due to the government could not be afforded in term of budget burdened (IMF 2013). This cut, however, is almost fully offset by a substantial rise in the wage index by about 40 percent, with the index value increasing from 4800 to 6700 kip (Figure.4, Figure 5), as well as continued recruitment, including the full-year effect this year of last year's recruitment. An even larger concern is the contribution of the wage increase policy into next fiscal year FY14/15 (Table 1). The current trends, the pursuit of this policy implies a further sizeable increase in the wage bill (in absolute and relative terms), unlikely to be offset by new revenue measures, or spending cuts in other categories. A rapid revision of civil service wage policy appears to have become new priority for Lao PDR. The main causing is identified: first is the revenue collected leakage, including custom and tax collection; second is the reflecting from low price exportation of natural resources and third is the huge expenditure for infrastructures investment in this period of time (WB 2014). In the result, the evidence has illustrated the weakness central management system those cause from ineffective and inefficient of public administration and management and linking to capacity of institutions as well as human capacity and ethical of administrative and political.



**Figure 1. Compensation as percent of GDP1**  
 Source: IMF Country Report , December 2013



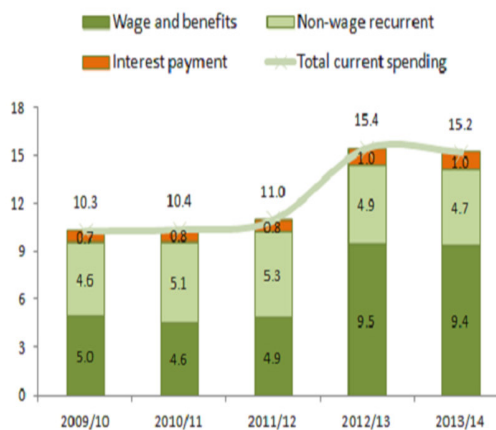
**Figure 2. Compensation as percent of Revenue1**  
 Source: IMF Country Report , December 2013



**Figure 3. Compensation as percent of Expenditure1**  
 Source: IMF Country Report , December 2013



**Figure 4. Wage index increase**  
 Source: MOF and Staff estimate and projection



**Figure 5. Government Expenditure (Percent of GDP)**  
 Source: World Bank Lao Economic Monitor- MOF and Staff estimate and projection

	FY11/12	FY12/13	FY13/14	FY14/15
		Est.	Proj.	Proj.
Wage and benefits as % of total expenditure	23.2	38.1	39.8	48.2
Wage and benefits as % of total recurrent	44.5	61.5	61.9	68.3
Wage and benefits as % of domestic revenue	28.3	55.4	54.2	66.6
Wage and benefits as % of non-resource domestic revenue	37.6	70.6	65.0	78.5
Wages, benefits and compensations as % of non-resource domestic revenue	49.3	80.1	73.7	86.6

Source: MOF and Staff estimate and projection

Despite robust growth and progress on human development, gender inequality remains a barrier to progress. A number of institutions have been established to help strengthen gender equality such as the Lao National Commission for the Advancement of Women, a government body mandated to work with line agencies to ensure that gender is mainstreamed, and the Lao Women's Union. Gender issues are mainstreamed in most donor funded programmes to ensure that gender-related targets and indicators are included. The MAF (2010) includes provisions for a significantly greater investment in women and girls as a proven MDG multiplier. The new five-

year plan for the advancement of women (2011-2015) is designed to advance linkages with the national programmes. However, it should be noted that women are far more influential in Lao society than their official representation in government would indicate. The wives of a number of senior Party officials are active in the Lao Women's Union, and wives in particular have always served as a conduit for those seeking political favors.

#### 4.2 Discussion

Notwithstanding, the significant progress has been made in the area of civil service management. There were number of problems continue to affect civil service management and performance. These relate firstly to the small number of staff in many key service delivery functions such as education, health and agriculture, particularly at the local level. Secondly, the overall standard of technical qualification, competency and skill of staff is low, and thirdly pay bands base on qualifications and length of service rather than jobs and responsibilities. This combination of problems explains the continued presence of donor partner involvement in many of human resource development projects and initiatives.

Other problems affecting the public administration system concludes the persistence of outdated and ineffective systems and procedures. It is resulting in the poor quality and slow speed of many services, coupled to low levels of transparency and poor systems of accountability. Both the Government and Party of Lao PDR have recognized the need to improve public administration by encouraging strong support amongst decision makers at ministerial level and the Politburo for initiating reforms. They will help to improve performance in public administration, through human resource management and development, improved systems and procedures, and revised operational guidelines and regulations.

### 5. Civil Service Management Strategic Framework and Integrity Innovation

#### 5.1 The Civil Service Management Strategic Framework

In order to realize the Government's vision of an efficient and effective civil service, there is a requirement to engage in strategic planning in an innovative way, both to strengthen the process of administration and to increase the level of civil servant capacity to operate within such an improved system. Addressing these critical issues has required an approach which ensures that the inherent challenges are met with solutions which have real potential to impact successfully at a fundamental level.

The recognition that improved Public Personnel Administration practices are necessary has resulted in creation and approval of the Civil Service Management Strategic Framework 2011 (Figure 6) which draws on Lao and international best practice, and provides agencies with an enabling tool for the integration of the different elements of Human Resource Management (HRM) within the context of the Socio-Economic Development Plans (SEDP); the National Growth and Poverty Eradication Strategy (NGPES); and emerging regional changes associated with the implementation of the ASEAN Free Trade Area (AFTA) Agreement and the development of the East-West Economic Corridor (EWEC).



Figure 6. The Six main components of the Civil Service Management Framework  
Source: Exert from the CSM Strategic

This CSM Strategic Framework examines the six main areas, which is focused on personnel planning, staff management practices, pay and conditions, performance management, human resource development, and leadership and communication; and focuses on the current operating environment for public sector agencies, the impact on employees, and details how human resource strategies and activities can support the achievement of the broader government and business outcomes. Once finalized and disseminated, this strategic approach to HRM will provide senior officials, managers and HR professionals with a practical tool for managing the people dimension of organizational improvement.

The development and implementation of this comprehensive Civil Service Management Strategic (CSM) Framework offers a range of operational benefits to:

- Provide a broader context within which CSM and public personnel administration reforms, such as job description and performance appraisal processes can be explained;
- Provide a strong base for national planning;

- explain the interrelationships of the main elements of CSM and public personnel administration;
- Be used by all civil servants to make a connection between CSM legislation, public personnel administration, and their day-to-day responsibilities; and
- Be used to identify areas where guidelines/ instructions need to be written to enable implementation of CSM and public personnel administration legislation.

Within this framework, a number of innovative and far-reaching public personnel activities have been initiated, including the drafting of the National Civil Service Code of Conduct, the recently completed Job Description Review, and the actions which have been taken to separately categorize administrative personnel and technical personnel in the education and health sectors in order to facilitate the employment of new civil servants and the application of policies in an appropriate manner. The Lao Government has also concentrated on the transfer of civil servants from the central level to local level and on incentives to retain civil servants in remote areas. Additionally, efforts have been made to increase the number of civil servants at district level.

While issues of remuneration remain a challenge, the level of salary has also been reviewed and since 2002 there have been three (base) salary increases for civil servants by increasing the index value. A civil service census has been completed and updated in each financial year at each administrative level, and the development of the Prime Minister's Decree no.82 provides direction for administration policies, processes and outputs.

Therefore improvements in general Public Personnel Administration are ongoing, in accordance with the legislative framework of the Lao PDR, guided by the Civil Service Management Framework, and evidenced by the wide range of reform activities. While Public Personnel Administration reform activities in the Laos are ambitious, they are also firmly grounded in focused, but innovative, outcomes which support the continued development of the country. This article briefly explore two such examples of innovation, highlighting how they act as critical drivers in the process of civil service modernization and reform through the short, medium and long-term development of civil service capacity.



Figure 7. The Examples of innovations guided by the CSM Framework  
 Source: Exert from the CSM Strategic

The draft National Training and Development Framework (NTDF) and the Personnel Information Management System (PIMS) directly support the attainment of the Lao Government's vision of a more efficient and effective civil service in a far-reaching, innovative manner. They incorporate the systematic allocation and alignment of resources with implementation coordination, quality control mechanisms, and the application of modern technology. Such an approach addresses not only potential training delivery and knowledge management, but also provides for the important linkages to job descriptions, an effective performance appraisal system, and the provision of pertinent management information to support timely decision making and future manpower planning. This approach specifically provides strategic direction to the realization of *Component on the Personnel Planning* and *Component on the Human Resource Development* in the Government's Civil Service Management Strategic Framework (see Figure 7).

These two major projects will support the development of a new innovative and modernized system of public personnel administration, in planning, training, and

development. It will strategically linked to and supportive of the National Socio-Economic Development Plan 2011-2015 for Lao PDR and also to supporting broader Civil Service transformation, institution building, and Human Resource development.

## 5.2 Integrity Innovation

### 5.2.1 The Draft National Civil Service Training and Development Framework

As has been highlighted, increasing the Public Personnel administration capacity in the Lao Civil Service, and more specifically, the design and delivery of effective training to civil servants, is recognized by the Lao Government as being of fundamental importance to meaningful, effective public administration reform. As such, the principle aim of the draft Framework is to establish a clear vision to guide the introduction and implementation of new policies, procedures and mechanisms aimed at transforming civil service training and development into a dynamic, competency-based and pro-active instrument, capable of playing an integral and



strategic part in the processes of building a strong civil service for the Lao PDR.

It will incorporate a Civil Service-wide Competency Framework and a planned approach that is effectively tool. To sustain maximum positive impact, the Framework will need to adequately organized and coordinated. Such effectiveness will need to extend to the promotion of quality, accountability, and cost-effectiveness. Also, the geographical and situational differences encountered by civil servants throughout the country will require the Framework to be flexible and capable of meeting the needs of all civil servants. Therefore its creation, implementation, and maintenance will continue to be based on the principles of broad participation.

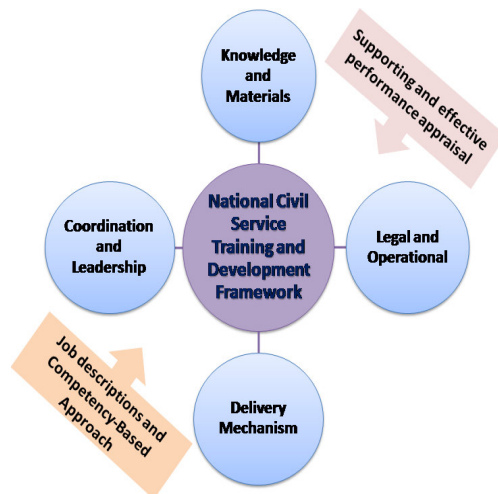


Figure 8. The Draft National the Civil Service Training and Development Framework  
 Source: Created by author

Successful outcomes for the Framework include the realization of a holistic structure which is capable of promoting uniform learning outcomes through multiple providers. Translating the vision into a reality, where all personnel have access to meaningful training and development opportunities, is a priority Framework goal. Finally, the Framework endeavors to support positive learning outcomes which add value to both individual and organizational capacity. As can see in Figure 8, the Framework itself is built upon four pillars or components:

- 1) Legal and Operational;
- 2) Coordination and Leadership;
- 3) Delivery Mechanism; and
- 4) Knowledge and Materials.

Each Component focuses upon a set of critical Framework elements, the establishment of which is necessary in order to ensure the successful implementation of the other three elements.

#### 1) *Legal and Operational*

The first Component consists of a set of draft Policy and Procedures that aim to support this new system of civil service training and development. These documents aim to provide legislative and implementation clarity, highlighting the objectives of the Framework, also to considering the operational implications of such policy and procedural decisions.

The Framework proposes policy objectives for the development of the Civil Service workforce, which include:

- Provide employees with the basic skills and knowledge necessary to perform their duties;
- Achieve and maintain a high level of employee performance;
- Improve the operating efficiency of the Civil Service;
- Encourage, motivate, and assist employees in self-development efforts, and fostering a sense of individual responsibility and participation; and
- Develop individual competencies to meet present and future Civil Service requirements.

In addition, the setting of standards in such areas as the minimum required levels of civil servant skills and knowledge, the identification of expected levels of performance and operating efficiency, methodologies for employee self-development, and the documentation of civil servant competencies, are all important stages in operationalizing the Framework and establishing a strong foundation for sustainability and accountability.

#### 2) *Coordination and Leadership*

The second Component considers the requirement for the Framework leadership and coordination, proposing the establishment of a National Civil Service Training and Development Committee, under the leadership of the Ministry of Home Affairs (MOHA). A primary duty of such a Committee could be the promotion of harmony between participants, training events, trainers and Agencies.

The current draft proposes that the National Civil Service Training and Development Committee shall:

- + Effect and sustain Inter-Agency Generic and Leadership training, as per the Civil Service Competency Framework, which shall be used to supplement the Technical training provided by individual Agencies;
- + Advise on matters related to training policy, training design and programs, in addition to issues pertaining to program implementation;
- + Increase the level of quality and consistency in training across the Civil Service;
- + Contain representatives from key Agencies who hold responsibility for Capacity Development;
- + Ensure that Training and Development is planned, continuous, implemented and evaluated to ensure high quality of content and delivery, in all Agencies under their brief;

- + Encourage the development of training partnerships among Agencies, national professional and educational institutions, and others to realize cost-efficiency and avoid duplication of effort;
- + Ensure that a nominated individual at Agency level within the Human Resources team is allocated direct responsibility for the development and coordination of training programs;
- + Manage the proposed National Civil Service Training and Development Fund; and
- + Be accountable for the operationalization of the Civil Service Training and Development Policy.

### 3) Delivery Mechanism

The proposed creation of a National Training Delivery Network reflects the commitment to sustaining high quality training delivery. The Council will be required to prioritize both the needs of the Civil Service and of individual employees, to identify suitable learning methodologies, and to reach decisions regarding appropriate providers. It is envisaged that such providers may be internal to the Government or licensed external providers from private industry.

In addition to being able to demonstrate exercising the utmost care in trainer selection, all training providers will require registration with the National Training Delivery Network under the administration of the National Civil Service Training and Development Council. Having attended a Training of Trainers program, all trainers shall utilize participatory learning techniques, and their performance will be monitored and evaluated regularly, in order to ensure that the learning process is a positive one which meets Government standards.

### 4) Knowledge and Material

Similarly to the other Framework Components, the quality control of Knowledge and Materials will be important in ensuring implementation success. In order to address such issues, a Civil Service Curriculum Matrix will be created. The Curriculum Matrix will support the identified Civil Service Competencies, resulting in training programs which offer the opportunity for competency development in targeted areas. These targeted areas will be those most needed to support a civil servant in completing his or her duties to a high level of quality.

While the drafting of the Curriculum Matrix is in its early stages, it is envisaged that upon completion it will deliver programs which offer the opportunity to acquire competencies in a number of Managerial and administrative competencies which are common in Civil Service environments world-wide. In addition, a number of Lao-specific competencies will be identified through the finalization of the drafting of the Code of Conduct, in addition to broad consultation with key stakeholders.

On completion, the Curriculum may contain training programs which are in existence in Lao PDR, in either government or private training institutions, currently under development, or are commonly utilized by Civil Services world-wide. Prior to curriculum finalization, each program would require evaluation, standardization and alignment with established competencies before inclusion in a National Civil Service Curriculum. Once approved, based on the course description, objectives, prerequisites and verification of the competencies which it will meet, the training materials and delivery methodology could be created, and issued for implementation by the Training Delivery Network.

While the Curriculum Matrix will contain Generic and Managerial programs addressing competencies applicable to all civil servants, each Agency will identify specific Technical competencies appropriate to their field. They will create, conduct and evaluate these programs separately, although they will liaise with the National Training and Development Council throughout the process.

#### ➤ Implementation Steps and Linkages

The National Civil Service Training and Development Framework is currently in a technical drafting phase, following an internal workshop to establish the appropriateness of the draft policy and procedures. It is envisaged that in the coming months, the current draft will be refined, and then the process will follow the implementation approach which will be led by a National Training and Development Leading Committee, supported by four Technical Working Groups in the area of Competency Development, Curriculum Development, Policy and Procedures and Performance Appraisal.

It is anticipated that this four-pronged approach, which highlights the clear and necessary links between the legal, operational, delivery and evaluation elements of capacity building will support the on-going work in the area of Performance Appraisal policy and procedures currently underway in the Lao PDR.

### 5.2.2 The Personnel Information management System (PIMS)

The utilization of ICT as an enabling tool to enhance productivity, accountability and transparency has been recognized by the Lao government and subsequently has formed an important component of the modernization strategy. As part of a series of extensive civil service management reforms currently taking place in Lao PDR, the creation of a PIMS remains a priority task for the modernization of the public administration program.

Although established since the early 90's, responsibility for the management of the Civil Service personnel database has fallen under different agencies. These changes in ownership have resulted in a database which is incomplete, outdated, inaccurate, difficult for agency management to access, and slow to yield service-wide valuable Human Resource reports. All of these issues have an impact the successful Human Resource

planning and forecasting, and on the ability to capacity build towards a modernized civil service. The result of the current system is that there is no clear national civil service data upon which to consider future salary reforms, nor the ability to use this data to inform payroll processing and social security contributions.

The current innovative project to design and implement a nationwide PIMS offers the opportunity to translate strategy into reality by empowering management in decision-making, facilitating increased manpower planning, tracking qualifications and age demographics and career progression, training and development, and eventually performance appraisal.

The outlining of the new system, initiated in 2003, involved an analysis of existing system deficiencies, clarification of the new system scope, the identification of potential linkages with existing personnel systems in ministries and provincial governors' offices, and the harmonization of existing processes in personnel management.

An important facilitator of sound strategy development and implementation is the ability to easily access accurate data. Therefore an intensive national civil servant re-registration process was undertaken in early 2004, and again in 2006, to clarify and re-confirm the current number and high-level details of civil servants throughout the country. A series of personnel data collection activities are underway, and the resultant data from these exercises will form the basis for the new database.

Since the PIMS has completed the piloting operation system in 2007, it has seen substantial progress towards the development of the system, the establishment of linkages with other systems within the Lao PDR, and the further strengthening of regional relationships through knowledge sharing activities. In addition, to support the administration of the PIMS, a Local Area Network (LAN) has been established and operationalised within the Public Administration and Civil Service Authority. (PACSA). This enhanced greatly the electronic exchange of data/information within and outside the organization and facilitated the establishment of an intranet. The "*PACSA.GOV.LA*" domain name has been registered enabling the publishing of PACSA's website ([www.pacsa.gov.la](http://www.pacsa.gov.la)) and the setting-up of individual email accounts for the management and the staff (currently PACSA was renamed to MOHA).

The Government has taken steps to ensure that whilst it is reforming its public sector through training and development activities and improving the legal and regulatory framework it has also taken a number of steps to modernize its ICT environment. It is critical that the development of software programs across government agencies is compatible with the overall environment to make effective use of all systems. To ensure this strategic approach and consistency across systems the Government of Lao PDR has:

- established the National Data Center in August 2006 at the Science and Technology and Environment Authority (STEA) through the assistance of the Indian government to enable warehousing and maintenance of all database programs (including PIMS) and to ensure consistency of backup and maintenance procedures
- approved its e-Governance Action Plan (2006 – 2010) to provide infrastructure development at all levels of Government, capacity building for ICT technicians, administrators and users and hi-speed connectivity to the Internet.
- developed localized versions of the OpenOffice (Xangdao), an email client that enables Lao script (Salika), and a Unicode based Lao font (Phetsarat OT) in an effort to further bridge the digital divide.

The analysis phase of the PIMS was completed in July 2006 and the development team is currently engaged in the pilot implementation phase which will be completed by the end of 2007. The PIMS is currently being operated in many organizations and provinces throughout the country. Linkages have been established with other systems currently in use, including the Enhanced Salary Schedule System (ESSS) and the Social Security Database (SSD) of the Ministry of Labor and Social Welfare. In addition, linkages with the Ministry of Finance's payroll and taxation databases, and the Ministry of Public Health's geographic information systems are underway.

Another aligned activity has been the implementation of job descriptions, which have facilitated organizational mapping, thereby providing additional necessary information for PIMS implementation. Furthermore, a job description review was implemented in order to examine the extent and quality of completed job descriptions, the processes followed in completion, and the perceived relevance, usage and impacts of job descriptions in the workplace.

## 6. Conclusion

This article has briefly described the wide-ranging, ambitious and innovative reforms in Public Personnel Administration which are currently ongoing in the Lao PDR. Two such examples of innovation, the draft National Training and Development Framework and the Personnel Information System, demonstrate the strategic approach which is currently being undertaken towards a modernized civil service in Lao PDR. The drafting of the National Training and Development Framework, emanating from the Civil Service Management Strategic Framework and the 2003 Policy Paper, proposes a clear vision for future personnel capacity

development in the Lao PDR. The development of the Personnel Information Management System will provide critical pertinent data to assist in personnel administration, manpower strategic planning, policy development, and facilitate decision making for civil service management.

Capacity development is a comprehensive process of enhancing the ability of individuals to perform responsibilities effectively and to realize their potential. The development of human capacity is both a purpose and process. This involves development of the required knowledge, skills, values and attitudes of staff at all levels. In a more complex and demanding working environment, civil servants, while advancing the public interest, gradually more need more high-level competencies and skills, including greater in-depth knowledge of society itself, to relate to politicians, other government agencies and key stakeholders. At the same time, there is a great need to invest in the capacity development of administrative support staff to promote more efficient public management. Civil servants also need greater understanding of the complexities of political and administrative decision-making processes. A clear understanding of roles and responsibilities in the administrative system is essential for efficient, responsive of service delivery. Transparent, responsive and equitable administration of public policies is increasingly a clear expectation of citizens and politicians alike. Effective administration of public policies will therefore require a combination of technical. Policy-making, administrative and managerial skills need to be developed systematically. Each organization should thus have in place a strategy for training and capacity development that aims to foster a spirit of professional development, receptiveness to innovations, new approaches, and knowledge gaining among staff. Gender-sensitive methodologies and training tools also need to be developed to promote a culture of innovation and experimentation among staff in the public sector.

Generally, there is no single model more suitable than another for the delivery of training and capacity development of staff in the public sector. Each model has its own strengths and weakness. The selection of a particular institutional arrangement will always depend on existing capacities as well as the national and regional contexts. Most national training strategies would therefore require a mix of different institutions to deliver capacity development and training. The objective of training must be established at the outset. The analysis determines the selection of the respective institutional model. Therefore, the key issues to be considered in selecting appropriate institutional models for the delivery of training, including the purpose of the training; the target group; the specific content; the training modality; and the available resources. Regular assessment of the effectiveness of training efforts should also be accepted. The approval of the collective construction concept of knowledge also indicates acceptance of the idea that there is no clear divided between those who know and those who do not. Everyone is recognized as having capacity and capacity gaps. The rapidly sharing of knowledge in multitude directions needs to be recognized as a critical policy initiative that requires the involvement of central and local governments as well as civil society organizations and business associations. The management of innovative improvements in decentralized governance is the responsibility of an entire society.

The Public Administration Research and Training Institute (PARTI) within the Ministry of Home Affairs (MOHA) and the Central Committee of Organization and Personnel (CCOP) has a key role to play, as a strategic partner with other Agencies, in the realization of this vision, by leading the strategy development, and driving the implementation process across the issues in a consistent and cohesive manner through consultation with all stakeholders. Although in early stages, the application of such a strategic and innovative approach will contribute greatly towards the efforts to improve public management efficiency. This approach offers an integrated, coordinated, participative, efficient, reflective, and sustainable methodology to public personnel administration reform. Finally, this approach recognizes and supports the most important resources available in the process of modernization and reform in the Lao PDR – the civil servants themselves and systems within which they operate.

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