

International Labour Organization

Project: Social Security Fund Nepal:

Concept Note on Human Resource Planning and Development:

Introduction:

The Bill on Social Security 2072 which has been prepared and is awaiting debate in Parliament provides for the implementation of a number of social security programs. The Act states as follows:

19. Operation of Social Security Plan:

- 1)** The Fund may operate security plans as stated below in order to provide social security to workers by remaining within the scope of this Act:
 - a.** Unemployment security plan,
 - b.** Maternity protection plan,
 - c.** Medical Care and Health Benefit Plan,
 - d.** Accident Security Plan,
 - e.** Old Age Security Plan,
 - f.** Dependent family benefit Plan,
 - g.** Invalidity Security Plan,
 - h.** Other security plans stipulated by the Fund.
- 2)** The Fund shall operate the Social Security Plan pursuant to sub-clause (1) according to the priorities by the Nepal Government.
- 3)** The Fund may operate the schemes in a phased manner.
- 4)** The Fund may operate security plans of varying types based on the nature and need of the work force involved in the Social Security Plan.

The implementation of the social security protection schemes requires an institutional framework, human resources and an integrated computer system that will support all administrative needs of the organization. The required institutional framework with its organization chart and functional divisions has been addressed in the Concept note Institutional Development. This concept note deals with Human Resource Planning and Development.

Human Resource Planning:

The Social Security Fund will need to develop strategic human resource goals that are aligned with the overall organizational vision, mission, values and objectives. The vision of the Social

Security Fund and principle goal is to provide social security protection to the workers in the formal sector initially and the whole of the work force eventually. The mission that is required to attain the vision is the gradual extension of social security protection geographically as well as through the addition of new schemes as decided by the Government of Nepal upon recommendations of the National Steering Committee. The values of the organization are that it should be an efficient organization caring for the covered population while appreciating the contributions of the staff at all levels. The Social Security Fund in addition will have the value of being an honest, transparent and progressive organization. This mission to extended coverage needs to be matched with ensuring a well trained, efficient, contented and helpful staff delivering timely services with care, dedication and efficiency.

People are the main resource that nonprofits organizations like the Social security Fund have for delivering services. Hence, planning how the organization will meet its current and future human resource needs and how people will be supported and nurtured within the Social Security Fund is critical for success of social security protection systems in Nepal.

Human resource planning is the process whereby the Social Security Fund will determine the required posts and positions within the organization and the staffing support needed to meet the objectives of providing service and coverage needs of the general public, employers, workers and their dependents. There are a variety of considerations that impact this planning, including the government policy regarding the status of the Social Security Fund, the availability of employees with certain skills sets and changes in the procedures and processes that may require training for existing employees. It is assumed that the Social security Fund will be established as an autonomous government agency with its own remuneration and staff policy. Regarding the availability of staff within Nepal it is the view that there are many talented, knowledgeable and qualified people but they will have to be trained in social security management systems. The process of capacity and skill building will require specially tailored programs that lay an emphasis on social security management.

There are four broad phases involved in planning for human resource needs. First, gathering and analyzing information about expected coverage based on the future plans and the supply and availability of staff, internally and externally, to meet the demands. Second, the Social Security Fund must identify specific human resource objectives, which can involve decisions related to whether candidates will be promoted from within or hired externally and whether work will be outsourced or done by employees or staff specifically in the area of data entry. The third phase of planning involves designing and implementing programs that are aligned with the objectives of the Social Security Fund. These programs will include benefit programs to satisfy employee needs and impact the ability to retain staff, as well as training programs to ensure that staff is prepared to meet current and future demands. Finally, the fourth phase of

planning will involve monitoring and evaluating the effectiveness of the human resource plan and making changes as appropriate.

In addition the number of employees required to staff the Social Security Organization will also depend on the infrastructure and system requirements to support full implementation e.g., Human Resources Information Management System. The plan will also have to develop the competency profiles of each of the officers and supporting staff. Implement the competency profiles in a staged-way to demonstrate benefits and create buy-in. These profiles will have to be developed, revised/updated to meet changing demands as new schemes are introduced or the schemes are extended geographically and to the informal sector. There would also be a process to monitor and evaluate applications to ensure that they are meeting the needs of delivering benefits and adjust programs/plans, as needed.

In the process of human resource planning and development for the Social Security Fund there are five human resource strategies for meeting the organization's needs in the future. They are restructuring strategies, Training and development strategies, Recruitment strategies, Outsourcing strategies, and Collaboration strategies. In this concept note the focus will remain on the initial strategies used in needs assessment. The lack of decisions on the future direction of the Social Security Fund and a clear vision of direction are difficulties that make it impossible to map a human resource plan and provide the developments. However, the framework that is being developed is based on the objectives of the Social Security Act 2072, with the assumptions that the four schemes will be implemented in the Kathmandu Valley.

Analyzing Organizational Objectives:

The Social Security Fund will implement the employment injury, maternity, medical and sickness schemes first on a pilot basis within the Kathmandu Valley. All employers with five or more workers will be covered by the Act. The schemes require registration of employers and employees and negotiations with medical service providers and other authorities. The administrative processes of the Social Security Fund shall be computerized with the internal control of the data being with the Social Security Fund while the software to run the system will be outsourced. The plan is to operate the schemes for at least five years within the Kathmandu Valley before extending coverage to other geographical areas. The Social Security Fund will also link with large employers, banks and clinics to receive all types of data and application forms for benefits using Web based applications. Claims processing and benefit approval shall be supported by computer systems with the required security safeguards.

Inventory of Present Human Resources:

The current human resources of the Social Security Fund cannot be given due consideration as the officers who are civil servants may not remain within the organization after the passing of

the Act. In fact many have already indicated that they have received transfer orders and are waiting to move. Hence, it is envisaged that new employees would have to be recruited and trained for the implementation of the schemes. Although some permanent and temporary staff has received training in social protection concepts they may not remain as employees of the Social Security Fund. Some other officers who possess knowledge of financial procedures and stock management may remain but they will need to be retraining.

The Social Security Fund will need human resources which include an experienced and qualified Executive Director, two deputy executive directors, six senior directors (secretariat, audit, registration, benefits, finance and administration) and 16 officers for the units. The number of supporting clerical staff would be 16 at the beginning as each officer will be supported by one clerical staff. In the IT unit there may be a need to have a senior programmer, system analyst and a network analyst. It is assumed data entry will be outsourced as it would be economical and efficient.

Forecasting Demand and Supply of Human Resource:

The human resources required at different positions according to their job profile in the Social Security Fund has to be determined. There should be proper matching of job description and job specification of the particular work and the profile of the person should be suitable for it. Details of each job function have been stated in the Concept Note on Institutional Planning and the profile, educational qualification and experience can be considered in greater depth.

The Executive Director of the Social Security Fund has to be a person with experience in administration, finance and government policy. As the leader of the Social Security Fund in the period where the concept will be implemented within Nepal for the first time the ability to motivate and negotiate a consensus would be an important attribute. A visionary with leadership abilities would be an added asset. Any additional experience or knowledge of legal proceedings and interpretations makes the profile better. The availability of such a qualified and experienced individual in Nepal could be a challenge. However, upon appointment the Executive Director could be provided training and coaching in the field of social protection administration.

The Deputy Executive Director for Registration and Benefits has to have experience in administration and enforcement. The area of benefit approval and administration is new and the person appointed can be trained in this area. Enforcement of the provisions of the Act will also be a relatively new area as the processes and institutions that could support the success of such activities are fundamentally flawed and under developed. Training and development to new approaches to enforcement will be needed to meet the skills requirements of the position so that the objectives of the division can be achieved.

The profile of Deputy Executive Director of Finance and Administration is one with an accounting background with experience in the financial sector. The financial sector would include banks and other financial institutions. The availability of such a candidate in Nepal is

good but it will require additional training in pension management, financial fraud detection as well as actuarial methods which will enhance the capabilities of the appointed candidate.

The four Directors of the divisions need to have basic University level educational qualification and a number of years of experience in business administration, finance and legal fields. These Directors will then be provided training to enhance their capabilities to manage social protection schemes. The other 16 officers should also be graduates or diploma holders in the fields of administration, finance, legal, public relations and public administration. Appointments to the various units will depend on the requirements of the position and the relevant field of education most appropriate for the position. Supporting staff in the Social Security Fund should have a minimum of school leaving certificate.

As the computerization of all procedures in the Social Security Fund is required for efficient delivery of services the computer unit needs to have sufficient and qualified personnel. In the ITC area the programmers, computer operators and computer analyst shall have the qualifications and a minimum of three years experience in an IT environment. The Head of the unit shall have a Masters Degree in Computers.

Estimating Manpower Gaps:

The Social Security Plan will have to recruit almost all the staff. An extensive training program in social security administration and development will be needed to be put into place to upgrade the skills of all employees. The training would be for all level of staff and would be on going including on the job training for the support staff. Senior level staff will have specialized training to expose them to social security principles and the administration of schemes.

Formulating the Human Resource Action Plan:

Accordingly, a human resource plan has to be finalized for new recruitment providing extensive training to all staff at all levels within the Social Security Fund. Training and development encompasses three main activities: training, education, and development.

- **Training:** This training as mentioned earlier will focus on the support staff as the activity is both focused upon, and evaluated against, the job that an individual will be holding. The senior level of experienced staff will have the skills base which will then be refined and upgraded to meet the objectives of the Social Security Fund. The training will be both internal and external. The internal being provided initially an ILO expert and later by senior officers. External training in the form of seminars, workshops, and short and long term courses can be local or overseas.
- **Education:** This is a continuous process of building social protection knowledge and will prepare an individual officer to meet the requirements of the scheme extension or protection expansion. Education also leads to the widening of knowledge, which is further enhanced with visits for experience sharing in other countries. This type of activity will be the backbone for development of staff who may potentially lead in the

future. The focus of this activity is the developmental plans of the Social Security Fund and education is evaluated against these future needs.

- **Development:** Staff development is a constant on-going activity involving all levels within the organization. There will be a need to constantly upgrade the skill of the staff as changing technologies which could ensure efficiencies would drive the service provision and enforcement functions of the Social Security Fund.

Human Resource Development:

Human Resource Development (HRD) is the framework for helping employees develop their personal and organizational skills, knowledge, and abilities.

HRD includes such opportunities as employee training, employee career development, performance management and development, coaching, mentoring, and organization development. The focus of all aspects of Human Resource Development is on developing the most efficient, dedicated and superior workforce so that the Social Security Fund and individual employees can accomplish their work goals in service to employers, employees, dependants and the general public.

The Social Security Fund has the opportunity for developing the human resources from within and from outside the Fund. This development can be formal such as in classroom training within the Social Security Fund or through a college course where employees are sent for knowledge and skill upgrade, or training provided by vendors in the area of ICT. Human Resource Development can also be informal where the experienced senior officers who have received training previously on the subject may coach a staff in the Social Security Fund.

Senior Officers of the Social Security Fund shall be provided with training and support by an ILO expert within the organization. This expert shall be appointed to guide, advice and build the capacities of the staff. The ILO expert shall also provide support and guidance to the officers at all levels leading to the establishment of knowledge based skills in efficient social security administration. The Senior Officers shall also consult with the expert with a view of learning the decision making process and enhancing their capabilities to seek alternatives.

Development of the senior officers will continue with training provided at the International Labour Organization's Turin Training Centre which provides a large number of courses relevant to social security administration. The selection of the officers for such courses should be made in a professional manner keeping in mind that the learning will be used to improve the Social Security Fund's administrative capabilities. It is recommended that the selection be based on merit and the officer be a permanent staff of the Social Security Fund. The successfully selected staff shall be bonded with providing services for up to a year after the course. This policy ensures that trained officers in whom the Social Security Fund has invested directly or indirectly shall remain within the organization.

Human Resource Development could in addition occur with attendance of international conferences on social security organized by the International Social Security Organization. The conferences where research papers are presented are fertile learning grounds for officers if they remain focused. The establishment of a library with books and journals on labour and social protection would act as the learning resource center supporting human resource development.

Supporting staff development will be through in house training carried out at intervals within the year. The human resource development policy would be based on the concept that all staff will have at least one week of internal training within a year. The constant up skilling of supporting staff is usually critical to an efficient service to the covered population.

Monitoring, Control and Feedback:

Human Resource planning and development requires that the processes be monitored in accordance with the Annual Training Plan. This would require monitoring the training programs for the year as well, as the vacancies that need to be filled based on program extension or any resignations. Comparison between the human resource plan and its actual implementation is done to ensure the appropriate action and the availability of the required number of employees for various jobs within the year.

Recruitment Policy:

The Social Security Fund shall have an equal opportunity recruitment policy. The recruitment of staff shall be based on a merit system where the qualifications and experience of the applicant will be duly considered devoid of any bias or undue influence. The Social Security Fund shall ensure that there is a gender balance in all positions within the organization. The Social Security Fund shall also reserve a small percentage of post for disabled persons. These employees shall be assigned appropriate jobs that meet their abilities.

All applicants shall after short listing be interviewed by a panel of Steering Committee Members and senior officers. The scoring system for the interview shall be designed to meet the requirements of the position and all marks shall be determined by the individual panel members. The successful candidate shall be the one with the highest score. No weight shall be given to any political recommendations or any other non professional influences.

The Social Security Fund shall have a policy of not employing two related members of a single family within the same department. This is a safe guard in the pension approval process and prevents fraud.

The remuneration and salary package shall be designed to motivate high performance.

In conclusion the broad guidelines governing the Human Resource Planning Development are enlisted in this concept note. Based on these refinements will be made during the

implementation stage when the Act is passed in Parliament and the Government has decided on the implementation date.

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