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Good Organisational Practice and Gross National Happiness

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Introduction

In 2007 the Royal Government of Bhutan (RGoB) introduced Organisational Development (OD). OD refers to organisations' efforts to regularly review their mandate and capacities for taking the right decisions and measures to assure healthy organisations delivering high quality of services and products and improving performance. In Bhutan, OD was introduced as a tool to ultimately strengthen the bureaucracy to play an effective role in a vibrant democracy.

This paper builds on RGoB's OD experience and holds a plea for developing performance indicators for Bhutanese organisations to measure their contribution to GNH. Organisational performance is a part of good governance, one of the four pillars and nine domains of GNH. I don't intend to come up with entirely new approaches. In fact, most of what is presented here is known as 'good organisational practice' and is widely tested and applied in other parts of the world, most often driven by the organisation's or leader's self interest to do well (and 'sell'). In Bhutan, however, good organisational practice goes beyond the organisation's self interest; the national vision of wellbeing puts a claim on organisations to do well and excel towards achieving GNH or the wellbeing of the people.

People, organisations and GNH

Bhutan, unlike many other countries, is in the unique position of having a national vision. Gross National Happiness is a public good addressing the wellbeing of the people. His Majesty the fourth Druk Gyalpo has indicated that the people are the strongest asset ('what we have is our people'); it is their wellbeing that matters most. At the same time it is the people - through their organisations - who are responsible for implementing the national vision. The focus in this paper is on people in organisations being instrumental towards achieving the wellbeing of others – the public or the clientele. It is likely that staff perform well if they are being well taken care by their organisations. The Bhutanese context asks for people-centred organisations and leadership qualities as they provide the main answer to implementing good organisational practice for GNH. The assumption is that organisations, with happy staff members, working in a good working environment that ensures quality work life, are likely to contribute to the needs and demands of its customers or clientele and, therefore, their wellbeing.

We define an organisation as *a group of people brought together around a certain purpose.* Necessary for any organisation is to have:

- Common understanding and collective commitment to this purpose which is often reflected in a strategic or business plan;
- Clarity on the best possible way to achieve purpose; internal operations; systems and procedures, human resources and organisational culture;
- Assessing regularly achievements and reviewing whether purpose is still relevant and appropriate (monitoring, evaluation and learning).

In OD one of the indicators for organisational wellbeing is the commitment and ability of the leadership and staff to find and allocated time for planning, review and learning; in other words to reflect on *the purpose, the people and the team*. It is also referred to as the "maintenance' of the organisation. In OD terms it is an investment (not a cost!) for a healthy and vital organisation. One could say that Organisational Development is a structured and planned approach for building and maintaining healthy organisations; in other words, responsible and responsive organisations and institutions that serve the needs of the customers or public. OD in the Bhutanese context asks for a strong focus on people as they are the means towards realizing Gross National Happiness. Organisational indicators should reflect such a people's focus.

One would expect that organisations in Bhutan are being steered and organized by the ultimate purpose of GNH. The other assumption could be that being predominantly Buddhist, the compassionate nature – or concern for the wellbeing of all sentient beings – would be reflected in the performance of organisations, and that such attitude would come more 'naturally' and shape staff behaviour. There is a strong cultural and spiritual base for organisational indicators.

Since Organisational Development is a fairly young discipline and only recently introduced in the government agencies and the government is still the largest sector in Bhutanese society, many of the examples in this paper will be based on this experience. However, organisational performance indicators which contribute to putting the GNH concept into practice are not restricted to government agencies, and they hold true for private and corporate sector and civil society organisations.

Government and good governance

Good governance is often used in the context of government, including the new democratic set up, guided by the principles of transparency, accountability, efficiency and professionalism.

- Accountability refers to the organisation's capability to set professional standards and deliver services in line with expectations and demands of the public.
- Effectiveness addresses whether the services delivered are the ones that are needed or demanded.
- Efficiency refers to how well the organisation is using its resources to deliver the services.
- Transparency is about having the mechanisms in place that allow insight in the use of public resources.
- Professionalism refers to the civil servants having the right qualifications, competencies and attitude to perform the tasks.

Organisational indicators will assess whether government agencies steer their organisations according to the national vision and the above mentioned values.

Private and corporate organisations and corporate governance

Bhutan's vision of GNH demands a private and corporate sector that addresses sustainability and social responsibility, in addition to fast-paced economic development. Not an easy mandate, particularly in this sector where profits and 'quick win' agendas dominate. However, the concept of Corporate Governance is making headway. Successful businesses or companies nowadays consider sustainability of their business and shoulder some public responsibility by allocating a certain percentage of their profit to social or welfare issues. It also contributes to a positive corporate image. Again, within the context of GNH, corporate governance is a societal responsibility.

Civil society organisations

Civil Society is (CS) considered critical to an effectively functioning democracy. With GNH as the guiding concept CS organisations should work *with* the people rather than *for* the people and, hence safeguarding the traditional self-organising capacities and the interests of Bhutanese communities and groups. The notion of civil sense amongst people is a driving force for the development and principles of Civil Society such as participation, co-creation and empowerment which should figure in the organisational indicators.

Whether good governance, corporate governance or civic sense, the focus of this paper is on organisational performance indicators that are general and applicable to all organisations, irrespective the sector they are in. However, the relevance of sector specific indicators is being acknowledged and could be elaborated simultaneously.

Organisational indicators for GNH

The suggestion for organisational indicators presented in this paper will enhance understanding of organisations within the concept of GNH. However, the organisation's capability to implement these indicators is what matters most. How do organisations put people - staff and customers – in the centre and function optimally in their performance and their unique contribution to GNH? How does the concept of GNH guide and inspire organisations? What are the indicators that measure GNH leadership and organisational functioning and how do organisations implement and monitor these indicators? These questions concern good organisational practice for achieving GNH. The following will give some insight in possible answers.

1. What organisations stand for: mandate, vision and values

Do leaders, managers and staff in organisations understand why they exist and what their specific contribution to GNH is? On a

day to day basis staff members undertake numerous activities because their managers and leaders ask them to do so, fully relying on their wisdom and position. But when the question is asked what the vision or mission of the organisation is, they often don't know. Organisation's mandate and vision have often been formulated by the leaders or managers and put in a report that is safely stored on the shelves in the manager's office. Hardly ever it is being shared and reviewed with other staff. It is only being looked into occasionally, e.g., when outsiders such as consultants ask for it.

Do managers and leaders address the concept of GNH in their organisations? Do they initiate organisational reviews and planning exercises in which strategic issues such as mandate and roles and responsibilities of the organisation in the wider context of the sector and society are being discussed and decided upon? Do staff members participate in such events? Are policies and strategies based on the present and future needs and expectations of stakeholders? Do managers and leaders sufficiently go beyond their specific unit, section, division or department, and practice visionary 'bird eyes views'?

The same questions can be raised for organisational values. Very often organisational values remain a paper reality. If at all organisations have values, staff are aware of it, there are no indicators to connect organisational behaviour to organisation's values. Neither are they measured. However, organisational indicators for GNH have to be value driven, and there is an increasing number of organisations making their values visible and displayed at the office entrance, office walls or PC screen savers. These organisational practices can be reflected in the indicators that address values.

As much as the national vision is a commitment of the country's leadership towards its people, the organisation's vision is a strategic expression of what the organisation wants to achieve. The

advantage of having a national vision is that it will trickle down into the organisational visions. During the OD exercise, all government agencies reviewed their visions and mission statements and spelled out their specific contribution to achieving GNH. It provided a very straight forward indicator for assessing visions of Bhutanese organisations.

Some Examples from the organisational assessments:

Dzongkhag (District)

"A stable and self reliant Dzongkhag promoting balanced socio-economic development & gainful employment whilst preserving culture and environment to realize GNH"

Ministry of Education

"To ensure a learning society with standards of education that is comparable to the International standards and that reflects the unique Bhutanese culture and values in keeping with GNH".

Royal Audit Authority

"A premier audit institution that promotes economy, efficiency and effectiveness in the use of public resources and contribute towards good governance".

Gross National Happiness Commission

At the end of 2007 and shortly after the 3rd International Conference Gross National Happiness held in Bangkok, Thailand, Planning Commission was renamed Gross National Happiness Commission (GNHC). GNHC's mandate is macro-level, socio-economic and cross-sector policy and strategy development. The name change is the best possible expression of the government's commitment to putting the GNH concept in the heart of the RGoB's policy framework. Some may say, what's in the name? From an OD point of view, one can't think of a better strategy to acknowledge GNH as the national vision. This is followed by formulating indicators that measure the implementation of GNH

at all levels in the Commission itself and in the guidelines for all other government agencies including monitoring and evaluation mechanisms.

2. Who are the leaders in organisations: leadership

As mentioned earlier, leadership is a very important indicator for good organisational practice: in a people-centred approach, leadership attitude is more important than skills and knowledge. Leaders act as role models for their staff. In looking for an inspiring and visionary leadership model, Bhutan need not look elsewhere. Leadership qualities such as selflessness, humbleness, and modesty which make world leaders are right here at home. We found a shining example in the way His Majesty the Fourth Druk Gyalpo had led his country for more than 30 years. A visionary leader is able to see the future beyond the existing reality and steer choices accordingly. Nowadays we are getting used to the need of thinking and acting 'out of the box'. Visionary leadership is about shaping a new box. The long term transition process towards democracy is a good example.

Leaders develop and facilitate the achievement of the organisation's vision and mission, and values required for the long-term success, and implement these via appropriate actions and behaviours. They are personally involved in ensuring that the people in the organisation are in the right positions, are motivated and committed, and they remain so. Leadership is the main factor in successfully implementing OD processes in the organisation, and the people-centred leadership one of the indicators.

3. What organisations deliver: products & services?

Keeping wellbeing as the main focus, organisations fulfil a particular need or wish of their customers or clients. One way of monitoring the level of satisfaction of the public or customers or clients is asking them to evaluate the quality of the products and

services. This can be done through customer/client satisfaction surveys. Such surveys were introduced during the OD exercise.

One would assume that in the context of GNH, such surveys would be undertaken frequently in order to assess and monitor the impact on wellbeing. In the private sector where quality of services impact directly on the profit margins, such surveys are more common and frequently used. Contrary to government agencies, the sales of products and services have a direct effect on the number of jobs, the salaries, job satisfaction and career perspective etc. There is a keen interest to keep track of how products and services 'are doing with the public or customers' in order to take decisions on future production and strategies.

The overall outcome of the surveys in the government agencies confirmed the need to improve the quality of the services to the public in order to contribute to their satisfaction and wellbeing. Also recommended were standard setting, streamlining, simplifying procedures and acknowledging the need for changing mindsets and attitudes of service providers. Service delivery by the government agencies for example is still perceived from the agency's rather than the client's perspective, and alignment and simplification of procedures is needed in and between the agencies. The service providers must become more client-oriented and start seeing the world through the eyes of their customers, and to act according to the convenience and interest of the same. It is the leader's role to encourage staff to see and live up to their newly-identified responsibilities.

An urgent need and immediate measure that is being recommended is the establishment of performance indicators for services. For example, this can include:

-   **Promptness**: indicating the time it takes to deliver a product or service and communicate this to customers including the right to claim if not (e.g. citizen charter, ombudsman, information desk, client service, suggestion box);

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- **Efficiency**: especially in the government there is scope to reduce red tape to the maximum and to strengthen a customer friendly approach to the service (demand driven rather than supply driven); efficiency in business is often better taken care of.
- **Effectiveness**: does the customer get the service he/she asked for, do the products fulfil needs of the clients, are they useful or wanted and how is the quality?
- **Friendliness**: the way the customer is being treated. The last point refers to the attitude of being client/customer oriented. Quite often staff in private sector are more client oriented than civil servants in their service delivery. More about this in the paragraph on Human Resources.

The quality of products and services delivery is often the yardstick of organisational performance. This holds definitely true for private businesses. If you are not doing well (which often means: if you do not sell) you will no longer be in the business. In government agencies this is less obvious as the quality doesn't have a direct impact on their existence nor are unnecessary bureaucratic procedures presented in terms of costs. This is changing. The Anti-Corruption Commission (ACC) has adopted the Standard Costing Model, a tool that calculates the percentage of public money that is being spent unnecessary due to lengthy and inefficient procedures and processes, so called red tape. ACC has tested the model and has handed it over to the Ministry of Finance to institutionalize it further. Government agencies could become less bureaucratic, more efficient and more price conscious as part of good organisational practice.

4. How organisations are being managed: systems and procedures

Addressing good organisational practice includes the question on systems and procedures; what processes and systems are being

put in place to facilitate high quality of services and products and smooth and healthy functioning in the organisation?

Systems and Procedures for Products and Services

The quality of products and services is to a large extent determined by the production processes or the service delivery process. We could think of the quality of raw materials used for a product, the type of machines, actually the quality of the entire production process.

Services respond to a particular demand or need and require relevant data, documentation, clearance, verification, cross checking, etc. The OD exercise clearly indicated that systems and procedures in government agencies are agency-driven rather than client-driven. Instead of organizing the services in such a way that it makes life easy for the client or customer, he or she sometimes has to visit different ministries and agencies to get the services. There is a scope for improvement in communication and collaboration between ministries and agencies and taking out overlap will definitely shorten procedures.

A fundamental shift is needed in the way the government conducts its business by putting the welfare and the convenience of the public at the forefront rather than the interest of the agency. The option of 'one window facility' was mentioned as a way of re-engineering the workflow and makes the services truly citizen centric. Optimal use of ICT is also recommended to increase efficiency and ease difficulties for the clients and to design and implement quality standards of services including clear timelines.

Administrative and Financial Systems and Procedures

With regards to smooth functioning of organisational processes, other important systems are financial and administrative systems and procedures that are necessary for carrying out its core business. Nowadays Information Technology is the key to streamlining internal systems and financial procedures and for

increasing access to all kinds of information and fast communication – for example, keeping detailed databases of clients/customers and other stakeholders. Indicators for administrative and financial systems should address how these systems facilitate and support production and/or service delivery.

Another question is the practice of sustainability in organisations. Do systems and procedures sufficiently take into account the working environment (physical and social context within which one is functioning) like office space, office facilities, office equipment etc? Do tender procedures facilitate governance principles and quality over costs? Can printers do double-sided copies? Are office vehicles being used properly? Do we have an alternative for plastic bottles we use during meetings and conferences and do we apply proper ways to deal with office waste?

In other parts of the world innovative ideas on waste management and care for the office environment do offer tremendous business opportunities. As sustainability and wellbeing of staff, clients and customers are at the core of organisational functioning, it is a necessity rather than an option to assure a pleasant and safe working environment and to consciously deal with office and waste management. These considerations have to be covered in the organisational indicators for GNH; experience and expertise on how to go about it can be borrowed from other parts of the world; the justification and responsibility for these aspects of good organisational practice are definitely rooted here.

Human Resources Systems

In a people-centred approach to organisations, the people (Human Resources) in the organisation are the most crucial component. All medium and large size organisations need to have a Human Resources policy and implementation plan for organizing their people for effective and efficient functioning and for assuring a

healthy and safe working environment and happy working relationships.

Human Resource systems deal with staffing issues such as recruitment & selection, performance management, reward systems, career planning, training and capacity development and appeal and grievances system. Government agencies often have a strong emphasis on the organisational structure or organogram which arranges the lines of authority and communications and allocates rights and duties. Salaries and career perspectives are determined through positions in the structure rather than through performance as is often the case in private businesses.

The OD exercise carried out in the government indicated that motivation of the civil servants has been a weak link in the bureaucracy. There seems to be little incentive to perform as managers and systems and procedures often stifle performance and effective management style. Although the civil service has a lot of potential and talent, the capacities are not being used to the optimum as performance management hasn't been implemented to the full extent. Human Resource systems have to facilitate staff to performing their tasks and responsibilities. A people-centered Human Resource policy does address motivation and attitude, and goes beyond the oganisation's organogram.

5. How organisations manage staff: HR issues

Thus far, I have mainly dealt with the more technical dimensions of organisations. As GNH demands a people-centred approach to OD, it is obvious that people play a determining role in organisations being successful; it is the people who give life to organisations in the way they relate to each other and to their working environment.

Human Resource systems refer to clear job profiles and roles and responsibilities, team work and team spirit and a healthy and

pleasant working environment. The non-technical dimensions of Human Resource systems are as important as the technical ones.

Recommended is a performance-based culture in the civil service for achieving organisational mandates. Further decentralization of Human Resource issues to the government agencies will strengthen the Human Resource Committees and Human Resource Divisions and facilitate implementation of performance management. After all, responsibility for recruitment and selection and managing performance are interlinked. This is easier in private businesses or corporations where managers have their own Human Resource policies through which they have full responsibility over all HR aspects of their staff.

In the OD exercise it has been acknowledged that mindsets and attitudes of civil servants need to change; they must become more client oriented and start approaching and seeing the world through the eyes of their customers and act according to their convenience and interest; it requires a fundamental shift from agency focus to client focus.

Earlier we mentioned Customer Satisfaction Surveys to measure whether clients are satisfied with the products or services delivered. Clients have to rate statements such as:

- staff show they care about helping me
- staff have the right knowledge and expertise to deliver the service/product
- staff work quickly and professionally
- staff deals with clients in a fair and impartial manner, etc.

Leadership and performance management

The OD exercise recommended a performance-based culture in the government. The Bhutan Civil Service Rules 2006 offer a framework for all civil servants, including rules and procedures of

Performance Management. Leaders and senior management must make performance management as their core responsibility and must be held accountable. Key performance indicators for the CEOs or Executives are the primary requirement to the effective implementation of Performance Management. This has to be linked directly to the performance of the organisation against agreed targets, and supported by tools such as the Client Satisfaction surveys and Organisational Behavior surveys.

If staff members are well taken care through proper performance management, it is more likely that they will do well and will be friendly towards clients in delivering services. Again, leaders and managers fulfil a major role in motivating staff including their behaviour; they act as role models for their staff; they 'walk the talk' and 'practice what they preach'.

6. Organisational culture for GNH: redefining a culture of care

Culture is to an organisation what personality is to an individual; it is the collective energy that deals with the values and norms and how they are being reflected in the way staff members behave and relate to each other and their working environment. Culture refers to 'how we are doing things here' including dress code, formal or less formal office interaction, level of openness and hierarchy. The dress code in the government is a distinct feature of government culture though it is eroding in other sectors of society.

One way of assessing organisational culture is through Staff Behaviour surveys. This tool provides clarity on how staff values the organisation, starting with questions like: what makes me most happy/unhappy about my organisation. Staff are asked how they feel about customer service, human resources, systems and procedures and performance management and leadership style in their organisation.

Some of the questions of Staff Behaviour surveys are similar to questions in the Client Satisfaction surveys; it makes it possible to compare clients' views and staff views.

Staff Behaviour surveys are a good entry point for discussions on how 'we see ourselves' and 'how others see us'. In such discussions organisations norms and values are being reaffirmed and linked to staff behaviour. They enhance commitment and a sense of belonging and care.

As the concept of GNH puts the people and their wellbeing in the centre, the implementing organisations adopt an organisational culture that does the same: it is in people's behaviour that the concept of GNH is becoming manifest. Therefore, good organisational practice promotes a 'Culture of care':

- for all to care for the organisation's specific contribution to wellbeing and achieving GNH
- for all to care for the way products and services are being offered to customers and clients;
- for leaders and managers to act as role models and care for their staff through adequate implementation of performance management;
- for leaders and managers to facilitate team work and organise time out/retreats;
- for staff to see themselves through the eyes of the customers and clients;
- for staff to care for each other as colleagues;
- for all to carefully manage office time and private time;
- for all to care for the working environment and a sustainable way of working.

Bhutan has been characterised, as other traditional cultures, of age-old systems of care and community sense. With modernization

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coming in, these systems are being threatened. Care does exist in the government agencies, but it is often defined by relationships and networks. Transparency as a GNH value requires equal treatment of all clients and customers irrespective of the relationship the service provider have with the customer. How to balance the good of the old with the promise of the new? It entails a decision on how an organisational culture of care is being shaped in the context of GNH.

To conclude this paper, a people centred approach to organisational performance fits within the concept of GNH, and organisational indicators should mainly focus on people in the organisations. Leaders and staff of organisations are instrumental in providing services to the people that make them happy; at the same time leaders and staff are also citizens and recipients of services; they are both means and end of GNH. They provide services that they would want to receive themselves; they themselves are a yard stick for wellbeing.

This paper intended to provide input for developing indicators for good organisational practice in the context of GNH. Further research on these practices for GNH is needed; the attached checklist could be a starting point for a GNH model for organisational practice to be used in the further implementation of OD across organisations and institutions in Bhutan and to set standards for organisational practice and eventually the design of an organisational model for GNH.

Annex: Indicators for good organisational practice - towards a checklist

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Organisational practice in general

-Is there organisational awareness on the national vision of GNH and how does that manifest itself?
-Does the organisation take time out (retreats) for planning exercises, for reflection and review of performance and functioning of leaders, managers and staff?
-Are these events regular, planned and structured?
-Is staff at different levels sufficiently represented and involved and do they participate actively?
-Are outcomes of such sessions shared and communicated in the wider organisation and with clients and stakeholders?

Vision and values

-Does the vision of the organisation clearly indicate its specific contribution to achieving Gross National Happiness?
-Is the vision based on a thorough analysis of the context in which the organisation does exist, including the 4 pillars of GNH and the ultimate purpose of wellbeing?
-Do stakeholders participate in the visioning and strategic planning of the organisation?
-Do the values of the organisation connect to the mandate of the organisation and the national vision of GNH?

Leadership

-Do leaders develop and facilitate the achievement of vision, mission and values?
-Are leaders able to envision the longer term future and prospects of the organisation?
-Are leaders personally involved in ensuring the organisation's management system is developed, implemented and continuously improved?
-Are leaders personally involved with customers, stakeholders and representatives of society?
-Do leaders motivate, support and recognise the organisation's people?
-Are leaders role models of an organisational culture that takes care of the wellbeing of the staff?

Core business areas: products & services

-Does the core business of the organisation - what it produces or offers to the market - contribute to the wellbeing of the clients or customers?
-Does the organisation undertake studies and research for quality improvement and development of new products and services?
-Does the organisation undertake Customer satisfaction surveys regularly?
-Does the organisation communicate and respond to the results of such surveys?

Systems and procedures

-Do the systems and procedures facilitate delivery of services and products?
-Are they sufficiently client oriented?
-Is the way in which the organisation functions efficient and sustainable?
-Is the working environment encouraging high level performance; e.g. use of office building and office space, equipment, materials, toilets, etc.
-Does the organisation have copiers that can copy double sided?
-Does the organisation deal with office waste properly?
-Are questions on systems and procedures included in the Customer satisfaction surveys?
-Are the results from these surveys dealt with and communicated?
-Does the organisation have a grievances system?
-Does the organisation offer a healthy and safe working environment?

Human Resources

-Does the organisation have a HR policy and plan for transparent HR addressing recruitment & selection, performance management, reward systems, career planning, training and capacity development and appeal and grievances system?
-Do staff members have well defined job descriptions with clear roles and responsibilities?
-Is client orientation sufficiently addressed in job descriptions and appraisals?
-Are job descriptions being used as input for performance appraisals?
-Are outcomes of performance appraisals shared with employees and mutually agreed upon?
-Do performance appraisals include training and capacity development in line with job profiles and is it implemented?
-Do leaders and managers initiate and facilitate performance management?

Organisational culture

-Do staff members care for their clients and customers?

-Do staff members adhere to organisational values and norms?
Do leaders and managers care for their staff; are they being rewarded,
recognised and cared for?
-Are staff members in the organisation involved and empowered?
-Do staff members care for each other?
-Do staff members manage office time and private time?
-Is the working environment sufficiently being taken care of?
Etc.