

A PROPOSAL TO CREATE
NATIONAL EXECUTIVE SERVICE-(NES)

In the year 2002 the Establishment Division (Estab.) initiated a proposal for the creation of an Economic Management Group (EMG) in response to the Chief Executive's directive to study the feasibility of creating an economic cadre of officers in the Federal Government.

2. The Establishment Division articulated the need for creating streams of professional Civil Servants to staff policy-formulation positions in the Federal Government. The basic idea was to competitively select and specially train competent individuals to pursue predetermined patterns of career growth and invigorate the Federal Government with the required quality and capacity for policy formulation.

3. The proposal of the Estab was placed before the Cabinet in its meeting held on 21st August 2002, and it was decided that a holistic view of all the professional streams should be taken and the proposal should be finalized in coordination with the National Reconstruction Bureau, (NRB), and submitted to the Cabinet by mid September 2002.

4. The NRB, in the meantime, had also prepared a paper on "Reconstruction of Civil Services - A New Framework", dealing with the entire spectrum of Civil Service Reforms. A presentation was made to the Cabinet on 6th November, 2002, where it was decided that since the politically elected government would be in place shortly, it would be appropriate to present the reconstruction proposals (including NES) to the incoming Cabinet for decision.

5. The issue of Civil Service Reforms had remained dormant, until the National Commission for Government Reforms (NCGR) was mandated to look at the reorganization of Civil Services of Pakistan in a holistic manner. A framework paper outlining the proposed reorganization of the Civil Services of Pakistan, at All Pakistan, Federal, Provincial and District levels has been produced by the NCGR. The present paper elaborates upon one of the most critical components of the proposed framework i.e the NES. An earlier draft was deliberated by the Federal Secretaries' Committee on 22nd December, 2006 and recommendations made by the Sub-Committee of the Secretaries finalized in April, 2007 have been incorporated in this revised draft. The Secretaries Sub-

Committee endorsed the need for creating a N.E.S and made many useful suggestions that form part of the present proposal.

6. The purpose of creating a NES is to identify, develop and place the best talent in policy making positions by drawing upon the entire pool of Civil Servants and other talent from the entire country irrespective of their original cadre, service or affiliation. This presumes that there will be no barriers to entry in NES either for any group or cadre of the Civil Servants or to any suitable professionals from outside the Civil Services. The only stipulation is that the candidates should meet the pre-specified eligibility criteria and then cross the hurdle of a competitive process open to all. The objectives of good governance emphasize responsiveness to the complex problems faced by the Public and place persistent demands on the capacity and intellectual endowments of policymakers in the government. Furthermore, the jobs in public sector require highly specialized skills in economics, social development, regulation and human resource management. The selectees for the high level jobs have to prove that they possess a mixture of substantive knowledge and skills combined with leadership traits. The future knowledge-based economy can be effectively managed by individuals who are able to demonstrate, display and practise these attributes.

7. There are several options for selection to NES, the number of streams within this service and the tiers of government which will be manned by officers belonging to the NES. An analysis of the various options on each one of these issues is presented in paragraphs 8-15 bellow.

STRATEGIC OPTIONS

SELECTION TO NES

8. Two of the many options for selection into NES have been analyzed. Each of these options has advantages and disadvantages which are summarized in the following paragraphs:

Option-I: Each APUG, Federal and Provincial Service cadre is apportioned a fixed quota of posts based on their cadre strength for induction into the NES. Competitive examination and interviews will be held by the Federal Public Service Commission but will be restricted to the pool of eligible candidates belonging to the particular services e.g. If Pakistan Customs and Excise Service (PCES) has three vacancies in NES to be filled in, only the officers belonging to the PCES

meeting the eligibility criteria will compete for these three vacancies. Candidates from other services/ cadres will not be eligible to compete for these vacancies. The examination and interviews will be common for all the candidates from all services / cadres but the selection and induction will take place according to the respective allocation of vacancies for each service. To further clarify this point let us assume that there are 10 vacancies to be filled in the National Executive Service (NES) in a particular year. 03 vacancies are to be filled in from the Pakistan Custom and Excise Service (PCES), 02 from Pakistan Foreign Service (PFS), 02 from Police Service of Pakistan (PSP), 02 from Provincial Services and 01 from Pakistan Taxation Services (PTS). Only officers from these services who meet the prescribed criteria will be eligible to appear at the examination and if qualified called for the subsequent interview. The allocation of 10 positions in NES will follow the pattern of vacancies available for each service/ cadre. In case no candidate from PTS qualifies the written examination or the interview the vacancy will be carried forward to the next round for allocation to PTS and the induction to NES this time around will be limited to only 09 positions. In other words there is no cross over of positions from one service to another.

Advantages:

- (1) There will be support for the creation of NES from all the existing services/ cadres as they will retain their entitlements and benefit from the earmarked quotas and reservations proposed for each service/ cadre.
- (2) The assurance of reservations in NES at higher grades and positions will attract the younger candidates of calibre to join the services/ cadres at Grade-17 level.
- (3) The possibility of entering top policy positions through a competitive process could promote a culture of improved performance and acquisition of knowledge and skills among the junior and mid level officers.

Disadvantages:

- (1) The majority of the officers serving in non-cadre or ex-cadre positions will become ineligible for induction into the NES reinforcing the present state of widespread de-motivation and de-moralization.
- (2) Regional representation will not be ensured fuelling the grievances of the smaller provinces against non-representation at top policy making positions.
- (3) The talent pool from which NES officers can be drawn upon will be much smaller and limited and the principles of merit and equality of opportunity for all will be violated.

Option-II: Civil servants from all different tiers of the Government and Private Sector can enter the NES through a transparent merit based competitive process conducted by the Federal Public Service Commission (FPSC) keeping the existing regional representation/ provincial quotas intact. The candidates will have to fulfill the eligibility criteria of years of experience, professional qualifications, past performance record etc. The process would also be open to the outsiders who meet similar criteria. The FPSC will prepare a list of successful candidates in order of merit taking the regional representation and provincial quotas into account and recommend allocation into the various streams of NES. Upon successful selection to the NES the officers will sever their connections with their previous services/ cadres/ posts/ organizations and become part of the NES. Their inter-se seniority will be based on this merit list prepared by the FPSC.

Advantages:

- (1) NES will be able to recruit the best possible talent from within and outside the Civil Services based on merit, competence and transparency providing equality of opportunity to all.
- (2) Regional representation and quota system will redress the grievances of the smaller provinces for non – representation at top policy level positions and non-participation in higher level decision making.
- (3) The attraction of fast-track career prospect by induction into NES will upgrade the overall quality and performance of the Civil Servants in the lower grades aspiring for entry into NES.

Disadvantages:

- (1) The loss of opportunities for automatic advancement without any barriers that is available at present to the incumbents of the existing cadres/ services may create resentment.
- (2) Striking equivalence of eligibility criteria between the Civil Servants and the outsiders may invoke some controversy as the Civil Servants would like to keep the induction of outsiders to NES to the minimum possible extent. The experience with the lateral entry of the 1970s has not been pleasant for encadred officers.
- (3) There may be difficulty in designing an examination and interview process that adequately tests the substantive knowledge, skills and leadership qualities of the candidates coming from various professional backgrounds i.e the private and public sector.

Preferred Option:

9. The Commission having examined both the options prefers Option-II as it broadly conforms to the guiding principles underpinning the proposed Civil Services system. This option will ensure induction of best possible human resources for policy making positions

and for development management. It will also help in nurturing professional competence, self-confidence, a sense of pride and esprit de corps. By broadening the scope to the Provincial Civil Servants the superior-inferior services dichotomy and the feeling of a denial of opportunity for advancement will disappear gradually and so will the inter-se rivalries among the various cadres/ services for maintaining or enhancing their respective quotas and entitlements. Instead of a zero sum game in which all services / cadres are fighting for the pieces of a fixed pie the culture of competition and merit will produce a positive sum game in which any one crossing the hurdle is selected without any regard to his or her previous service, cadre or non-cadre affiliation.

10. One of the main benefits of adopting this option will be that the Federation will be strengthened and a sense of participation and national cohesion will be promoted. At this juncture of our national life, the transfer of autonomy to the provinces, better distribution of divisible pool of financial resources and regional representation at the higher echelons of decision making, both bureaucratic as well as political, will make a significant difference in keeping the forces of polarization and confrontation under control. The loss of a few positions on merit far exceeds the huge benefits that will accrue due to enhanced trust and confidence in the Federation. Just to give an example, calculations show that at the C.S.S. examination held in 2000 if all the candidates were selected strictly according to the merit list ignoring regional representation the deviation from those actually selected would have been 31 out of 204 posts i.e. about 15 percent. In other words, 85 percent of candidates were selected on pure merit. This deviation should be acceptable to accommodate the candidates from the backward regions of the country. For NES it is more likely that the extent of deviation from pure merit based selection will be even lower – perhaps 10 percent which is within an acceptable range.

STREAMS OF NES

11. The next strategic choice relates to the number of streams within the NES. There is no hard and fast rule that can provide the correct number of streams. The futile debate on generalists vs specialists that has been a constant refrain of every Commission/ Committee on Civil Service Reforms in the past need not be revisited. It may be recognized that there is a continuum between technical skills and knowledge on one end, to strategic management and leadership at the other. The NES streams should therefore strike a balance between technical expertise and leadership qualities tilting more towards the latter for the positions of Secretary. There can be many streams which may lead to too much

sub-specialization or there could be one stream that consists of everyone who qualifies through the competitive process.

12. The options examined in this paper are:

Option-I: One Stream only, i.e. Economic Management Group (EMG) to begin with, and subsequently creating more streams as required.

Advantages:

- (1) In view of the importance of economic and financial management it may be advisable to create the EMG, as a first step towards streams of professional excellence.
- (2) The incremental approach would test whether this change can be sustained and also avoid turmoil in the service structures. It is visualized that success of this pilot project could then be replicated to create other specialized streams.
- (3) Given the limited size of the stream the management and development of human resource base would be relatively easy.

Disadvantages:

- (1) If EMG is patterned on the basis of the Economist and Planners Group formed in 1973 then this will be an abortive exercise as the experience with this Group has not been satisfactory.
- (2) Officers serving in the Secretariat other than those selected for EMG will find themselves at a disadvantage in their terms and conditions of service, career progression opportunities and compensation package
- (3) The rivalries and confrontation between the EMG and non-EMG officers will adversely affect the efficient working of the Secretariat.

Option-II: Create three streams within NES, i.e. EMG, Social Sector Management Group (SMG) and General Management Group (GMG).

Advantages:

- (1) An inclusionary approach providing opportunities to all officers for advancement to NES will boost the overall level of efficiency and productivity in the Government.
- (2) Some degree of specialization and sectoral knowledge will have a positive impact on the quality of decision making
- (3) The acceptance of the new service structure is likely to be broad based as there is no discriminatory or preferential treatment for any group of officers.

Disadvantages:

- (1) The General Management Group officers will have a larger base and more opportunities for rotation among Ministries.
- (2) The promotion prospects to Grades-21 and 22 may not be uniform or equal for all three streams of NES.

- (3) The encadrement of positions within each stream may prove to be controversial particularly in borderline cases which may fall within more than one stream.

Preferred Option:

13. The best option is to have three streams forming NES i.e EMG, SMG, GMG. This will avoid resentment and frustration among officers who either do not have aptitude or inclination towards economics and finance or who are not selected to EMG. Under this scenario, the officers of EMG will man all the posts in the Secretariat requiring knowledge or expertise in the areas of Economics and Finance. Those in SMG will be placed in the ministries of Education, Health, Social Welfare, Population, Women Development, Youth Affairs, Culture etc. or their successor ministries. The chronic neglect of social sector ministries would be reversed and competent officers well versed and interested in these issues will be assigned to operate these ministries. The GMG will be the residual stream and perhaps the largest in terms of numbers and in addition to the ministries such as Cabinet, Establishment, Interior, KANA, SAFRON, Narcotics Control etc. the officers from this stream will occupy the posts of Administration in all the ministries. Creation of these three streams would be congruent with the career progression expectations of those inducted into the NES.

TIERS OF GOVERNMENTS TO BE MANNED BY NES.

14. The third strategic choice relates to the placement policy of NES at various tiers of government. Either the scope of the NES can be limited to the Federal Secretariat only, or expanded to man posts at all three tiers of the government, i.e. District, Provincial, and Federal levels. This choice is extremely important as it relates to inter-governmental relationship, and also affects the constitution/structure of the service to be created. At the Federal Secretariat there will be three hierarchical tiers (i) Deputy Secretary MP-III (ii) Joint Secretary MP-II and (iii) Secretary MP-I. At the Provincial Secretariat also there will be three tiers (i) Deputy Secretary MP-IV (ii) Joint Secretary MP-III and (iii) Secretary MP-II. Chief Secretary and Chairman Planning and Development Department will be in MP-I. The Provincial Secretariat positions will be open to both the NES as well as the Provincial Executive Service (PES) officers in the following ratios:

MP-IV	100% for PES
MP-III	50:50 between NES and PES
MP-II	70:30 between NES and PES

In case the Federal Government cannot place the requisite numbers of NES officers at the disposal of the Provincial Governments the ratio can be adjusted to accommodate PES officers. These two options are analyzed below:

Option-I: NES, (including its streams), to man only the posts at the Federal Secretariat.

Advantages:

- (1) There will be a neat separation of officers belonging to the Federal and Provincial Governments and the Provincial Governments can choose the officers for their Secretariat without prior clearance or requisition from the Federal Government.
- (2) The intimate knowledge of the working and many rotational opportunities at the Federal Ministries would speed up fostering of specialization.
- (3) The management and development of the officers of NES would be much easier and effective due to the limited size of the workforce in the NES.

Disadvantages:

- (1) The absence of inter change of the officers between the Federal and Provincial Secretariats may make decision making at the Federal level more abstract, remote from the ground realities and non-responsive to the needs of the public at large.
- (2) The harmony between the different Federating Units and the emergence of a national outlook based on varying perspectives of the provinces may be harmed.
- (3) The silo like, isolated mentality may give rise to more fractious and adversarial relationship between the Federal and the Provincial Governments. The experience gained by working at more than one level of government instils a sense of realism and appreciation of other government's position and view points.

Option-II: NES, (including its streams), to man all the posts at both the Provincial and Federal Secretariat.

Advantages:

- (1) The continuous flow and exchange of officers between the Federal and Provincial Government would upgrade the quality of decision making at both ends due to the experience insights and first hand broad based knowledge they will bring to bear.
- (2) There will be greater national integration and better appreciation of the problems facing the various geographical regions and segments of the society.
- (3) The true spirit and nature of the constitutional provision about an All Pakistan Service will be adhered to.

Disadvantages:

- (1) The Provincial Governments will lose the freedom to select officers of their choice to manage the policy making positions

and will remain dependent on the whims of the Federal Government.

- (2) The reluctance of many officers living comfortably in the Provincial headquarters to move physically to Islamabad may deprive the Federal Secretariat of quality manpower.
- (3) The strains on managing a large number of incumbents, training them and looking after their welfare can pose some problem.

Preferred Option:

15. Option-II whereby the NES positions are shared between the Federal and the Provincial Governments offers many advantages. The most persuasive argument in favour of this option is that the policy making at the highest level in the Federal Government will not be divorced from an intimate knowledge, understanding and appreciation of the issues, constraints and problems faced at the Provincial and Local Government levels. This integration is absolutely essential for generation of policy proposals that are feasible, widely acceptable and practicable. The District Service has, for the time being, been kept out of the ambit of this option because it terminates at Grade-16 in the first phase (as proposed by NCGR). Once the scope of the District Service is extended to Grades-17 and above, the issue of its smooth integration would have to be revisited.

UNRESOLVED ISSUES AND SUPPORTING INFRASTRUCTURE FOR NES

16. A number of issues will need to be resolved and supporting infrastructure put in place before the NES can take off. These issues and support system requirements are discussed below:

- a. **Eligibility Criteria:** The eligibility criteria for applying for the NES and appearing at the competitive examination will have to be developed in light of the proposed structure of the service. Any officer belonging to the All Pakistan, Federal, Provincial and District Government who has completed 15 years service in Grades 17-19 with minimum prescribed academic qualifications and satisfactory performance record can appear at the NES examination. The performance record, the training received, the number of rotational assignments, should form part of the eligibility criteria for in-service candidates while similar criteria have to be developed for the outsiders.
- b. **FPSC** Examination / Tests procedure for NES.
 - (1) **Process of Selection:** The selection process for NES should consist of a preliminary screening test, a written examination, structured interview and psychometric test. It would be appropriate for FPSC to introduce a

computerized “Preliminary Screening Test” on the lines of TOFEL/GRE/GMAT etc. Only those candidates scoring above a base line should be eligible to apply for the first tier of written test. Those who achieve a certain pass percentage at the written examination would be invited to appear at the interview and psychometric test. The cut off points will be determined by the number of vacancies in each stream. Candidates can appear for all three streams and then finally opt for one of them.

- 2) **Type of Written Examination.** Since the NES visualizes more than one specialized stream, EMG, SMG and GMG focus of the exam will be on testing the analytical abilities of the candidates as applied to the real world issues facing the policy makers. For example the written examination could contain several components the most important being preparation of a summary on a particular issue proposing and analyzing the various options and recommending a certain course of action. The evidence, reasoning and logic behind the recommendation would form the crux of the testing. The second part of the written examination should contain questions or analysis pertaining to the particular stream. However, candidates should be allowed to appear for all the three streams and not limited in their choice. The third part of the examination may include testing skills in Human Resource Management, Leadership qualities in real-world situations and environmental scanning i.e. the context in which policies are designed and implemented.
- (3) **Interviews.** The interview should be structured in a way that is able to gauge the communication skills, motivational skills, team building, conflict resolution, inter personal and leadership skills. The present practice of the Commission members asking questions that tests memory recall of facts and figures needs to be replaced by more sophisticated techniques of probing and assessing the potential of the candidates for occupying high level decision making positions.
- (4) **Psychometric tests.** Psychometric tests should be designed and administered to assess the stability, emotional quotient and problem solving skills, the attitudes and values of the candidates. Those who

exhibit personality disorders or attitudes that are not conducive to benign organizational culture should be screened out.

- (5) **Capacity Building of FPSC.** The FPSC will have to build its own in-house capacity to undertake the NES selection process. The recommendations made in the Recruitment Paper are emphasized again. The composition of the membership, the criteria for selection of members, the process through which the members are chosen, the tenure of office and the reorganization and upgrading capabilities of the staff of the Federal and Provincial Commission are some of the critical issues that need to be addressed.

c. **Restructuring of Establishment Division to Handle NES.**

- (1) The Establishment Division must build up its Human Resource Management (HRM) capacity to manage computerized record keeping, inventory of skills and evaluation, not only for the NES, but also for all occupational groups.
- (2) **Career Planning (CP).** The CP Wing needs to be further strengthened and computerized to carry out an effective career planning, not only of the NES, but also for the proposed Pakistan Administrative Service. Police Service should be transferred to the Interior Division. Job descriptions will have to be developed for all non-cadre and ex-cadre jobs involving technical / professional / specialized skills.
- (3) **Identification of Posts for NES.** A very deliberate process of identification of posts for inclusion in NES needs to be carried out by the Establishment Division for classification and allocation to the three streams of NES. There will, invariably, be efforts and justifications by all Ministries/ Divisions / Departments / Autonomous Bodies, to include maximum number of posts of NES in their respective organizations. Interaction with all these organizations is very essential. However, Establishment Division will need to withstand the group pressures and identify the **MINIMUM** essential posts for NES. Although all the Secretariat positions would be included in the NES a few key positions of critical importance outside the Secretariat may also be included. Care should, however, be taken to ensure that all the professional and occupational groups/ services/ cadres have adequate

number of positions at each grade in the pyramid and only positions in excess of this configuration may be transferred to the NES.

- (4) **Seniority Issues.** The issue of seniority creates all sorts of litigation at a mass scale. The occupation groups' vested interests and individual interests play a dominant role in these matters. Establishment Division must create a level playing field for all to avoid unnecessary and embarrassing litigations.
- (5) **Promotions Issues.** Similarly connected to seniority is the issue of promotions. Clear, fair, and transparent rules and regulations not only need to be laid down, but also safeguards against violations need to be built in the system. The officers selected to NES would have at least 20 years to spend in this cadre before they retire. This will provide opportunities for several rotations, sharpen their experiential learnings and overcome the present problem where most of the Secretaries are appointed only 2-3 years before their retirement. At this stage of the career, level of commitment does not keep up with the rigor of the job.
- (6) **Age Factor.** The age limit also needs to be rationalized, as it has been noticed that most candidates from Provincial and District Services get left out only because of age limits. Lower age limits tend to go in favour of CSS candidates compared to other candidates. Age limit must create a level playing field for all. In many countries age limits do not apply and younger people, if they qualify, are selected to top cadres and positions.

d. **Training.**

- (1) **Role of NSPP** and other training institutions in the grooming and evaluation of NES must be specified. National Institutes of Management and all other training institutions should evaluate the candidates at their training courses for suitability to NES.
- (2) **Initial Induction Training.** There should be a post induction training organized by NSPP for the NES recruits. Performance results at both post induction and mid-service training would be linked to promotion explicitly.

(3) **Mid-Service Training.** The National Management Course should be revisited in the light of the NES's requirements and organized in a way that responds to the needs for shouldering higher responsibilities.

e. **Compensation Package.**

In order to make the NES attractive and at the same time keep the financial burden on the exchequer at a minimum possible level. These candidates at the first level must be given a monetized package of MP-III while the officers promoted as Joint Secretary should be given MP-II scale and Secretary MP-I scale. As the number of positions in the equivalent grade at the Federal Secretariat does not exceed 2000 the financial implications of this salary package will be quite modest.

TRANSITION PLAN

17. The creation of NES is interlinked with decisions on a number of critical issues without which the present proposal will not be able to make the desired impact. While a number of issues, have been discussed in the previous section there are at least three decisions for transition from the present system to the NES. These are:

- (i) Introduction of E-Government at the Federal and Provincial Secretariat for all transactions – horizontal and vertical. Until such time, Section Officers in Grade-17 should be recruited, by expanding the initial numbers in the various services/ cadres. Technical officers should also be recruited in Grade-17 for carrying out professional and technical work.
- (ii) The pay structure of the NES has to be delinked from the BPS Grades and brought at par with MP-I, MP-II and MP-III. The existing incumbent can be given the choice to opt for the new scales or retain their grades along with their perks and facilities such as housing etc.
- (iii) The Performance Evaluation Reporting System (PER) has to be redesigned to move away from the present opaque ACRs to more open, goal-oriented, development needs based system. A new promotion policy that gives weightage to the PERs, training and skills acquired, breadth and depth of experience and evaluation by the Central Selection Board will also have to be put in place.

CONCLUSION

18. The creation of the NES as an All Pakistan Service has certain clear advantages as it will be able to draw upon a large pool of talent from within the Civil Services and

outside through an open, transparent competitive process regional representation and provincial quota system will ensure that the smaller provinces have a sense of participation in the top level decision making. The specialization in three streams will equip the members of the cadre with skills and knowledge required to analyze the complex issues of economy and society and formulate appropriate strategies and policies. Fast track promotion prospects and attractive compensation package will provide incentives for better performance, high quality output and minimize corruption and rent-seeking.

ISSUES FOR DISCUSSION

- 1) Whether a NES should be created in addition to the existing All Pakistan Services and Federal Occupational Groups?
- 2) Should the NES consist of three specialized streams?
- 3) Should the NES be an All Pakistan Service sharing some posts in the Provincial Secretariats?
- 4) Is it advisable to delink the NES positions from the BPS grades and pay them monetized salaries in the MP scale?

NATIONAL EXECUTIVE SERVICE

