

TERMS OF REFERENCE

“Consulting for Digital Transformation of HRM from the Korean experience”

RG-T3876

Digitalization of HRM and Professionalization of Public Officials from the Korean Experience

1. Background and Justification

In 2018, on average, public employment represented 11.9% of total employment in the LAC region. Also, wages and salaries represented a substantial expense for governments in the region – on average, LAC countries spent 8% of Gross Domestic Product (GDP) which was equivalent to 29% of total public expenditure, which is considerably higher than 24% in Organization for Economic Co-operation and Development (OECD) countries. This expenditure also represented 40% of tax revenues. The importance of public employment as a proportion of total employment and its fiscal impact go hand in hand with its weak level of institutional capacity. According to the IDB's Civil Service Development Index, countries in the LAC region had only reached 38 points out of a total of 100. These numbers evidence the importance of strengthening public personnel systems to ensure the well-functioning and effectiveness of the State.

On the other hand, the COVID-19 pandemic has forced countries to promote the adaptation of digital technologies to ensure the continuity of public institutions. This situation has highlighted the benefits that digital transformation can deliver to governments. Nonetheless, the pandemic has also shed light on the gaps that exist for implementing such transformations. The lack of adequate human talent and a clear strategy for strengthening its capacity has been a factor behind the poor promotion of digital transformation efforts all over the LAC region, adaptation of digital tools. In 2017, only 7% of citizens in the region indicated they had completed a transaction through the internet, and only 3 out of 26 countries had more than 50% of transactions initiated online. According to the 2020 UN E-Government survey, LAC countries ranked 90th on average out of 193 countries. These numbers show that despite the efforts taken by the countries in the region, their level of digital transformation is lagging. An IDB study finds that three main reasons explain this challenge: (i) the lack of digital professionals in the labor market; (ii) lack of budget; and (iii) challenges in civil service management (recruitment, career development, salaries, among others).

As a response to these challenges, this TC will support governments in the region in strengthening their public personnel systems by promoting digital innovation and the professionalization of public officials. The program will provide an opportunity for sharing and applying lessons learned from advanced countries, such as Korea. With its head start in the deployment of e-Government, Korea has been well-positioned as the global leader in e-Government, incorporating innovative public management leveraged on Information and Communications Technologies (ICTs). Korea ranked second on the UN E-Government Development Index – EGDI in 2020. Also, it ranked first on the OECD Digital Government Index (DGI) in 2019. In personnel management, it ranked first on “Collection and Availability of administrative HR data in the OECD government at a glance” in 2017. The OECD and IDB

have been conducting benchmarking research on HR management systems such as senior civil service (SCS) and mobility in Korea.

In addition, the Korean government has supported the capacity building of public officials in LAC countries through multiple TC projects. In the field of public management with ICT-related specializations, as per the Korean government's scholarship programs (ATN/KP-15009-RG, ATN/KK-17054-RG), two Korean universities have been running master's degree programs for LAC public officials since 2015 and supporting the reinforcement of their competences. In the sector of e-government, the National Information Society Agency (NIA) of Korea has consulting experience for LAC region, and recently it has been conducting training projects with IDB through technical cooperation (ATN/KR-17592-RG).

Specifically, in the case of Uruguay, this TC will support the National Civil Service Office (Oficina Nacional del Servicio Civil – ONSC) in the implementation of the “Budget and Financial Management Program (4705/OC-UR)” which supports the creation of government resource management system including human resource management (HRM) system. It will also facilitate technical advisory and knowledge exchange in areas such as business and data architecture, technology strategy, among others; support the creation of a roadmap of how the systems and capabilities should evolve over the medium to long-term to achieve the implementation of an integrated digitalized HRM system in Uruguay. In the case of Ecuador, this TC will support the Ecuador's Ministry of Labor in the strengthening of the capacities of the Ecuador's HRM through the delivery of diagnostics and policy recommendations to build a digitalized human resources management in the country.

2. Objectives

The objective of this Technical Cooperation (TC) is threefold: (i) to support governments in the Latin American and the Caribbean (LAC) region in strengthening their human resources management; (ii) to diagnose the current status of human resources management information system in the selected countries; and (iii) to provide a specific set of policy proposals to improve the effectiveness of participating countries' personnel management systems through building an integrated HRM information system (hereafter, IHRMIS).

3. Scope of Services

3.1. The consulting services will include:

- Planning assessment methods and assessing beneficiary countries' HRM systems based on the Korean government system benchmarking.
- Establishing policy proposals considering the case studies of the Korean government for more effective HRM digitization in beneficiary countries.

3.2. The consulting firm will present a work plan detailing the methodology, schedule, and anticipated intermediate steps or consulting products.

3.3. The services will include the costs for travel and per diem of the consultant team to beneficiary countries in the LAC region.

4. Key Activities

The following is a description of necessary, although incomplete, tasks to be completed for

the successful completion of this consultancy:

- Coordinate with the IDB project team through its assigned focal point.
- Form an advisory committee (including the MPM; Korean Ministry of Personnel Management, NIA; National Information Society Agency, etc., within five members) and submit each deliverables reflecting its advice and consultation.
- Conduct benchmarking and case study of the advanced HRM system (“e-Saram”) developed by the MPM, which researches on (i) the background of strategic HRM reform and the evolution of the institutional and technological framework, (ii) system architecture and management process, and (iii) key success factors and the lessons learned.
- Support capacity building programs based on demand for benchmarking and case study
- Design an assessment method leveraging advanced practices study and considering the context of the LAC region.
- Collect and analyze relevant qualitative and quantitative information according to the assessment framework, which includes: (i) collecting the information through report reviews, interviews, or surveys, and (ii) measuring the gaps in terms of policy, institutional, and technical perspective.
- Draw up country reports to identify opportunities for strategic HRM system development in participating countries, which includes: (i) assessing the performance, capacity management, and operational status of current systems, (ii) providing a customized reference for beneficiary countries to develop the system design, institutional framework, implementation process, and project execution and, (iii) verifying the practicality and feasibility of IHRMIS implementation.
- Carry out the technical assistance and proposal coordination, which includes: (i) sharing the results with participating governments, (ii) conducting the preliminary work to develop proposals such as site visits and focus group interviews, and (iii) discussing the critical issues and strategies with key stakeholders. If the conditions allow, on-site consulting will be considered.
- Incorporate any changes that resulted from local coordination with participating governments.
- Provide the specific proposals for each country, which includes: (i) a long-term vision for strategic HRM policies, such as the new roles of the central HRM agency and each HRM unit in the line ministries, (ii) a roadmap for seamless HRM digital transformation, and (iii) change management and capacity building process.
- Present and discuss final deliverables with the IDB and participating governments.
- Support the dissemination of the consultancy and its results and provide feedback together with the IDB.

5. Expected Outcome and Deliverables

Work plan

#	Deliverable	Expected result
1.	Work Plan	<ul style="list-style-type: none"> Detailed work plan including proposed activities, their sequence and timing, the proposed technical team, and specifying person responsible for each step. Proposal of an annotated report index that allow to agree on focus areas of the analysis and the presentation of methods, results, and policy recommendations.

Module A: Benchmarking and case study

- The objective is to research the advanced integrated HRM systems to serve as a basis for developing HRM strategies to modernize the participating country's HRM policy and system according to each objective, capacity, and challenge.
- In Korea, public personnel is managed through an IHRMIS system called “e-Saram”. It is a standardized human resource management system that supports government-wide personnel administration and personnel policy tasks of the Ministry of Personnel Management(MPM) by computerizing the overall personnel administration from recruitment to retirement. It consists of 10 services for standard personnel management system for governmental ministries and 14 services for a policy support system for central personnel management agency. Through this system, each government agency can systematically manage various personnel-related tasks such as appointments, performance evaluations, educational training, work schedules, and salaries. Furthermore, various data and statistics available in this system are utilized for personnel policymaking. This system establishes a cloud-based integrated information system to enable shared server and Database, which is physical and logical convergence of divisional database. Interoperability and resource availability are advanced through a personnel information sharing system between the work process system and administrative information system considering security, scalability, and safety. The first iteration was established in 2000 and later transitioned to a next-generation, the web-based system in 2012. Since 2014, mobile service has been available to support a flexible work environment free of time and space constraints. The system is constantly evolving to utilize Robotic Processing Automation (RPA) in payroll processes.

#	Deliverable	Expected result
2.	Benchmarking and case study	<ul style="list-style-type: none"> Research paper about Korean integrated HRM system development and implementation focusing on: (i) the background of strategic HRM reform, and the evolution of institutional and technological framework, (ii) system architecture and management process, and (iii) key success factors and the lessons learned.

Module B: Assessment of HRM system implementation

- The objective is to evaluate the current digital HRM systems of participating countries in terms of institutional and technological frameworks. It will support two (2) countries to realize their strategic objectives of enhancing transparency, efficiency, and effectiveness by building a government-wide HRM system.
- **Design of assessment method.** The focus is to create the set of the assessment framework, which will be designed by leveraging advanced practices and considering the context of the LAC regions. This method is a tool for assessing the practicality and feasibility of implementing the HRM systems, monitoring the progress, measuring the baseline, and documenting lessons. It will cover governance, policy, law, IT infrastructure, and systems, focusing on interoperability with government resource planning tools and standardized whole-of-government solutions.
- **Gap measurement.** It is to collect and analyze the relevant qualitative and quantitative information according to the assessment framework developed. This activity will include: (i) collecting the information through report reviews, interviews, or surveys, and (ii) measuring the gaps in terms of policy, institutional, and technical perspective.
- **Country assessment report.** It is to identify opportunities for strategic HRM system development in participating countries. This report will include: (i) assessing the performance, capacity management, and operational status of current systems, (ii) providing a customized reference for beneficiary countries to develop the system design, institutional framework, implementation process, and project execution and, (iii) verifying the practicality and feasibility of IHRMIS implementation.

#	Deliverable	Expected result
3.	Country Assessment Report	<ul style="list-style-type: none"> • Assessment methodology; Tool for assessing the practicality and feasibility of IHRMIS implementation. • Qualitative and quantitative information collected and analyzed • Reports that help beneficiary countries understand the gaps they face for implementing an integrated e-HRM system in their given contexts.

Module C: Policy proposal for modernizing HRM system

- The objective is to provide a specific set of policy proposals to improve the effectiveness of participating countries' HRM systems. The technical assistance and proposal coordination will be carried out. On-site consulting, if the conditions allow conducting missions, will be considered. Otherwise, the activity will be executed virtually.
- **Institutional and technical arrangements for local coordination.** This is a procedure for quality control of assessment results and proposals. It will include: (i) sharing the assessment results with participating governments, (ii) conducting the preliminary work to develop proposals such as site visits and focus group interviews, and (iii) discussing the critical issues and strategies with key stakeholders.
- **HRM modernization proposal.** The specific recommendations for each country will be provided, which include: (i) a long-term vision for strategic HRM policies, such as the new

roles of the central HRM agency and each HRM unit in the line ministries, (ii) a roadmap for seamless HRM digital transformation, and (iii) change management and capacity building process.

#	Deliverable	Expected result
4.	Final Report and presentation	<ul style="list-style-type: none"> • Report on institutional and technical arrangements for local coordination. • A set of proposals to modernize the HRM system in beneficiary countries. • PowerPoint presentation on the main content of the report, activities and results achieved under this consultancy.

6. Qualifications

6.1. General requirements: The team should provide a list of relevant projects or consulting services provided in the last ten years. The team must include at least one project manager that will be responsible for the overall coordination of the project activities and management of the team and will act as the primary contact for communications with the IDB. The project manager must be a person with a track record of performing projects similar to this project and must be able to write and communicate at a high level in English or Spanish.

6.2. Team Composition: The team should be comprised of professional manpower for each task to secure expertise in each area, particularly specialists in public IT consulting and specialists in digitalization of public personnel management with the following qualifications:

a) Specialist in public IT consulting

- At least 5 years of creditable experience in policy setting advisory and technology consulting projects related to e-government development.
- Preferable: experience in improving the public personnel management system with knowledge of national institutional framework or public management.

b) Specialist in digitalization of public personnel management.

- At least 5 years of creditable experience in the planning and operation of digitalization of public personnel management.
- Preferable: experience in improving integrated personnel management system with knowledge of national institutional framework or public management.

7. Project Schedule and Milestones

The calendar of deliverables is as follows:

Deliverables	Deadline
Work plan	30 days after signing the contract
Benchmarking and case study	4 months after signing the contract

Assessment Framework	7 months after signing the contract
Assessment result and country report	12 months after signing the contract
Final Report and Presentation	15 months after signing the contract

	Description	11/1/2021	12/1/2021	1/1/2022	2/1/2022	3/1/2022	4/1/2022	5/1/2022	6/1/2022	7/1/2022	8/1/2022	9/1/2022	10/1/2022	11/1/2022	12/1/2022	1/1/2023	2/1/2023
1	Work plan																
2.1	Benchmarking and case study of Korean HRMIS development and implementation																
2.2	Interim report																
2.2	Final report																
3.1	Country assessment report																
3.2	Design of assessment																
3.2	Assessment and country report																
4.1	Local coordination																
4.2	Modernization plan																

8. Reporting Requirements

The consulting firm will present the reports according to the pre-coordinated content with the Bank through an annotated index that the consulting firm proposes for each report and the Bank reviews and approves. The reports and annexes will be delivered in English or Spanish in digital form to the Bank's focal point.

9. Acceptance Criteria

The output will be sent in draft form to the IDB focal point for consideration and acceptance. The Bank will review them and may return them with possible requests for changes to the consulting firm within two weeks. The consulting firm should address comments provided by the Bank for the deliverable to be accepted. Acceptance will be given in writing, via email, by the project leader.

10. Supervision and Reporting

The firm will report to the IDB coordinator of the project, Edgardo Mosqueira, Head of the Public Sector Management Cluster, (IFD/ICS) EDGARDOMO@iadb.org. Mr. Mosqueira is responsible for reviewing and approving the deliverables.

11. Schedule of Payments

Payment terms will be based on project milestones or deliverables. The Bank does not expect to make advance payments under consulting contracts unless a significant amount of travel is required. The Bank wishes to receive the most competitive cost proposal for the services described herein.

Payment Schedule

Deliverable	%
Work Plan	10%
Benchmarking and case study	30%
Country Assessment Report	30%
Final Report and Presentation	30%
Total	100%

TERMS OF REFERENCE

“Provision of a capacity building program for the professionalization of LAC public officials”

RG-T3876

Digitalization of HRM and Professionalization of Public Officials from the Korean Experience

1. Background and Justification

In 2018, on average, public employment represented 11.9% of total employment in the LAC region. Also, wages and salaries represented a substantial expense for governments in the region – on average, LAC countries spent 8% of Gross Domestic Product (GDP) which was equivalent to 29% of total public expenditure which is considerably higher than 24% in Organization for Economic Co-operation and Development (OECD) countries. This expenditure also represented 40% of tax revenues. The importance of public employment as a proportion of total employment and its fiscal impact goes hand in hand with its weak level of institutional capacity. According to the IDB's Civil Service Development Index, countries in the LAC region had only reached 38 points out of total of 100. These numbers evidence the importance for strengthening public personnel systems to ensure the well-functioning and effectiveness of the State.

On the other hand, the COVID-19 pandemic has forced countries to promote the adaptation of digital technologies to ensure the continuity of public institutions. This situation has highlighted the benefits that digital transformation can deliver to governments. Nonetheless, the pandemic has also shed light on the gaps that exist for implementing such transformations. The lack of adequate human talent and a clear strategy for strengthening its capacity has been a factor behind the poor promotion of digital transformation efforts all over the LAC region, adaptation of digital tools. In 2017, only 7% of citizens in the region indicated they have completed a transaction through the internet and only 3 out of 26 countries had more than 50% of transactions initiated online. According to the 2020 UN E-Government survey, LAC countries ranked 90th on average out of 193 countries. These numbers show that despite the efforts taken by the countries in the region, their level of digital transformation is lagging. An IDB study finds that there are three main reasons that explain this challenge: (i) the lack of digital professionals in the labor market; (ii) lack of budget; and (iii) challenges in civil service management (recruitment, career development, salaries, among others).

As a response to these challenges, this TC will support governments in the region in strengthening their public personnel systems through the promotion of digital innovation and the professionalization of the public officials. The program will provide an opportunity for sharing and applying lessons learned from advanced countries, such as Korea. With its head start in the deployment of e-Government, Korea has been well positioned as global leader in e-Government, incorporating innovative public management leveraged on Information and Communications Technologies (ICTs). Korea ranked second on the UN E-Government Development Index – EGDI in 2020. Also, it ranked first on the OECD Digital Government Index (DGI) in 2019. In the personnel management, it ranked the first on “Collection and

Availability of administrative HR data in the OECD government at a glance” in 2017. The OECD and IDB have been conducting benchmarking research on HR management systems such as senior civil service (SCS) and mobility in Korea.

In addition, the Korean government has supported the capacity building of public officials in LAC countries through multiple TC projects. In the field of public management with ICT-related specializations, as per the Korean government's scholarship programs (ATN/KP-15009-RG,, ATN/KK-17054-RG), two Korean universities have been running master's degree programs for LAC public officials since 2015 and supporting the reinforcement of their competences. In the sector of e-government, the National Information Society Agency (NIA) of Korea has consulting experience for LAC region and recently it is conducting the training projects with IDB through technical cooperation (ATN/KR-17592-RG).

Specifically, in the case of Uruguay, this TC will support the National Civil Service Office (Oficina Nacional del Servicio Civil – ONSC) in the implementation of the “Budget and Financial Management Program (4705/OC-UR)” which supports the creation of government resource management system including HRM system. It will also facilitate technical advisory and knowledge exchange in areas such as business and data architecture, technology strategy, among others; support the creation of a roadmap of how the systems and capabilities should evolve over the medium to long-term to achieve the implementation of an integrated electronic HRM system in Uruguay. In the case of Ecuador, this TC will support the Ecuador's Ministry of Labor in strengthening of the capacities of the Ecuador's HRM through the delivery of diagnostics and policy recommendations to build an electronic human resources management -IHRMIS in the country.

2. Objectives

The objective of this Technical Cooperation (TC) is threefold: (i) to support governments in the Latin American and Caribbean (LAC) region in strengthening their human resources management; (ii) to diagnose the current state of human resources management information system in the selected countries; and (iii) to provide a specific set of policy proposals to improve the effectiveness of participating countries' personnel management systems through building an integrated e-HRM information system (hereinafter, IHRMIS).

3. Scope of Services

The selected institution will provide a capacity building program to policy makers and/or public servants from governments and relevant public personnel agencies from the countries in the Latin America and Caribbean region.

- a. The training program should be organized in consideration of the needs of the LAC countries and specific interests/areas on which LAC officials want to tackle. The main language of the program is in Spanish and/or English.
- b. The consulting institution will be responsible for all logistical arrangements as well as the design of the program for the government officials participating. These activities will be planned and implemented in close consultation with the IDB project team.

4. Key Activities

The following is a description of necessary, although incomplete, tasks to be completed for the successful completion of this consultancy:

- Coordinate with the IDB project team, through its assigned focal point.

- Form an advisory committee (including the MPM; Korean Ministry of Personnel Management) and provide each deliverable reflecting its advice and consultation.
- Conduct a demand survey for capacity development program, and determine the duration, frequency, and details of program according to the results.
- Design a capacity building program incorporating the demands of participating countries and lessons learned from the Korean experience. It should be a mixture of lectures, workshop sessions, and meetings with relevant governmental organizations.
- The program should aim at benchmarking advanced HRM practices, including, but not limited to reinforcement of the role of the central personnel agency, digital transformation policies in HRM, professionalization of managerial talents (e.g. Senior Civil Service), national HRD policies, and innovation of mobility policies. Especially, the experience and know-how on the establishment and operation of the integrated e-HRM such as the development of legal and institutional mechanisms, technological evolution, and change management should be included, and a plan to develop it in the LAC region should be discussed in alignment with the local context and national HRM strategy of the participating countries.
- Submit an interim report including training content, speakers' bios and course methodology. As well, presentations and related materials during training should be provided in order to share them with LAC participants.
- Prepare the reports and products required to the satisfaction of the IDB and within the established deadlines.
- Deliver the programs as planned, monitor feedback of the participants in each program and measure the satisfaction level.
- Provide feedback to the authorities of participating countries together with the IDB about the consultancy and its results.
- Submit final report documenting the activity and the results accomplished (including all contents delivered to participants, and suggestions for future editions of similar activities).

5. Expected Outcome and Deliverables

#	Deliverable	Expected result
1.	Work Plan	<ul style="list-style-type: none"> • Detailed work plan including proposed activities, their sequence and timing, the proposed technical team, and specifying person responsible for each step. • Proposal of an annotated report index that allow to agree on focus areas of the programs and the presentation of methods, and results.
2.	Interim Report	<ul style="list-style-type: none"> • Training content and related materials, including a list of course topics, lectures, workshops, speakers' bios and course methodology.
3.	Final Report and Presentation	<ul style="list-style-type: none"> • Final version of the training program which incorporates all feedback received from the participants and the IDB Team.

		<ul style="list-style-type: none"> • A final report including the results of the survey to measure the participants' satisfaction with the program produced. • PowerPoint presentation on the main content of the program, activities and results achieved under this consultancy.
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6. **Qualifications**

6.1. General requirements: The team should provide a list of relevant projects or consulting services provided in the last 10 years. The team must include at least one project manager that will be responsible for the overall coordination of the project activities and management of the team and will act as the primary contact for communications with the IDB. The project manager must be a person with a track record of performing projects similar to this project and must be able to write and communicate at a high level in English or Spanish.

6.2. Team Composition: The team should be comprised of professional manpower for each task to secure expertise in each area, particularly specialist in public personnel management with the following qualifications:

a) Specialist in public personnel management

- At least 5 years of creditable experience in managing HRM and capacity building programs for public officials (preferably with an International/regional government)
- Experience in working with local partners or conducting in-depth studies/interviews as a Master researcher in the LAC region

7. **Project Schedule and Milestones**

The calendar of deliverables is as follows:

Deliverables	Deadline
Work Plan	30 days after signing the contract
Interim Report	120 days after signing the contract
Final Report and Presentation	180 days after signing the contract

8. **Reporting Requirements**

The consulting team will present the reports according to the pre-coordinated content with the Bank through an annotated index that the consulting team proposes for each report and the Bank reviews and approves. The reports and annexes will be delivered in Spanish and/or English in digital form to the Bank's focal point.

9. **Acceptance Criteria**

The deliverable will be sent in draft form to the IDB focal point for consideration and acceptance. The Bank will review them and may return them with requests for changes to the consulting team within two weeks. The consulting team should address comments provided by the Bank for the deliverable to be accepted. Acceptance will be given in writing, via email, by the project leader.

10. **Supervision and Reporting**

The consulting team will report to the IDB coordinator of the project, Edgardo Mosqueira, Head of the Public Sector Management Cluster, (IFD/ICS) EDGARDOMO@iadb.org. Mr. Mosqueira is responsible for reviewing and approving the deliverables.

11. **Schedule of Payments**

Payment terms will be based on project milestones or deliverables. The Bank does not expect to make advance payments under consulting contracts unless a significant amount of travel is required. The Bank wishes to receive the most competitive cost proposal for the services described herein.

Payment Schedule	
Deliverable	%
Work Plan	10%
Upon reception and approval of Interim Report	40%
Upon reception and approval of Final Report and Presentation	50%
Total	100%