

Terms of Reference
For
Consultancy service on
“Due Diligence of Human Resource and Administration Function, System and Procedures of NSET”

Rationale:

As NSET was completing 21 years of establishment on 2014, it felt need to get into introspection to achieve better clarity on its strategic intent and maneuverings for devising its further roles and responsibilities which matches with global, national and organizational requirements in future. It wished to indulge itself into assessment of its organizational core – which includes its vision, mission, objectives and strategies – for which, it felt the need to design and implement strategic assessment procedure. NSET held two days’ (7th and 8th June 2014) workshop on “Organizational Strategic Self-Assessment” among its top management and core team members with design input, moderation and facilitation of a management consulting firm, which focused on organizational self-assessment that helped in building unified understanding of the organization and its present state among decision makers and get inputs for the future.

One of the major inferences drawn out in the workshop as organizational strategic need in terms of its structure was the need of separate HR department, spinning it off from the existing Administration Department. The recommendation put on by consultant in the report of the workshop was comprehended as following:

NSET with present size and scale of work requires a separate Human Resource Department that should design, devise, and implement human resource related issues in the organization – separated from administrative issues. This department should be led and managed by a person with HR specialization and experience in business sector (preferably not social sector). The organizational level of such person should be at directorate level for the department to be effective. This also emancipates from the organization need to focus on following HR issues:

- a. Devising HR policies and procedures that's not penalty/punishment based but self-motivated and initiative taking HR development focused*
- b. Development of Y type personalities among HR of the organization than X types*
- c. Objective Performance Management System*
- d. Training and Development Need Assessment (Identification and measurement of Capability-Skills GAP) and management of T&D activities (Management of Capability-Skills GAP)*
- e. Human Resource Planning, Development and Empowerment*
- f. Handling HR Retention Issues*
- g. Proper HR hunting, recruitment and selection procedures*

NSET feels the need of proper assessment and due diligence of current HR Function, Systems and Procedures in order to take steps to establish a separate Human Resource Department within the organization and set the HR process and procedures which helps in efficient and effective management of HR function of the organization. In due course, it also feels the need of proper assessment and due diligence of current Administrative Function, Systems and Procedures in order to ensure the smooth spinning off of the HR functions out of it and in the process, ensuring proper and efficient functioning of Administration department. The need for this consulting service for due diligence also arises from the concern of organization over the following important aspects:

1. Nomenclature of the position and designation in organizational structure in order to provide clarity of the roles, responsibilities related to management function and technical function and at the same time, in order to provide sense of pride and belongingness towards organization.
2. Updating of personnel policy and making it more contemporary and relevant to the present size and growth of the organization giving due consideration to the market and sectorial on-going norms and practices.
3. Objectivity and relevance in present salary structure, its basis and the policy of its growth, according to the levels and other considerations in the organizational structure and related factors like motivation and retention.
4. Proper performance management system and possible link of the same to the incentive system and salary growth.
5. Efficiency of the Administrative function, systems and procedures and the process and capacity Gaps therein.

Objective of the Service:

To conduct due diligence of the HR and Administration function, systems and procedures of NSET and present recommendations in relation to the establishment of HR department and in relation to making HR and Administration function more effective and efficient, contributing more to the organizational growth and progress. The service would also have objective of making recommendations regarding making HR and Administration function, system and provisions more efficient, contemporary and market oriented in order to impart positive impact on organizational operations, support, employee motivation, retention and professional growth.

Expected outcome:

The outcomes expected out of the consulting service are:

1. Objective assessment of the requirement of creation of separate department of HR, separating it from the current portfolio of Administration department.
2. Assessment and analysis of current operation of current HR function, systems, policies, procedures and recommendations for improvement thereof – having considered the

contemporary best practices; to create positive impact on employee motivation, retention and professional growth.

3. Assessment of and recommendations in relation to the nomenclature of the position and designation in organizational structure, salary structure, its basis and the policy of its growth, according to the levels and other considerations in the organizational structure and related factors like motivation and retention.
4. Recommendations in relation to the improvement of HR function, systems, policies, procedures of NSET.
5. Assessment of the administrative procedures and GAPS therein (operational, procedural and capabilities) and recommendations in relation to improvement in Administration capabilities, function and procedures.

Scope of the service:

The service shall be rendered by the selected consultant remaining within the following scope of activities:

1. Assessment of the current HR functions, systems and procedures being taken care of by Administration Department and assessing the feasibility of spinning off the works and functions related to HR from Administrative Department and possibility of enrichment in the jobs of both the departments.
2. Assessment of the GAPS in HR Management issues currently not being addressed in the organization and what needs to be addressed for the near future and long term.
3. Devising the scope of HR management as a separate function of the organization given its present and future growth rate and potential.
4. Exploration of the best practices in the market in relation to nomenclature of the position and designation in the organizational structure, salary structure and its basis, regulation related to the growth of salary and use this intelligence for recommending the best practices related to the same.
6. Recommendation on nomenclature (naming) of the position and designation in organizational structure in order to provide clarity of the roles, responsibilities related to management function and technical function and at the same time, in order to provide sense of pride and belongingness towards organization.

7. Recommendation related to updating of personnel policy and making it more contemporary and relevant to the present size and growth of the organization giving due consideration to the market and sectorial on-going norms and practices.
8. Recommendation in relation to bringing objectivity and relevance in present salary structure, its basis and the policy of its growth, according to the levels and other considerations in the organizational structure and related factors like motivation and retention.
9. Recommendation related to establishment of proper performance management system and possible link of the same to the incentive system and salary growth.
10. Recommendation related to ways of enhancing management acumen and organization behavior of the employees, especially of those handling the managerial responsibilities.
11. Assessment of the administrative procedures and GAPS therein (operational, procedural and capabilities) and recommendations in relation to improvement in Administration capabilities, function and procedures.

Outputs of the service:

1. Presentations of the recommendations produced by the consultant as needed at various times during the assignment.
2. Comprehensive procurement manual fulfilling the intended objective and with the components as mandated by Scope.

Requirements of the consultancy firm

The consultancy firm rendering the service should fulfill following criteria:

1. At least 5 years of experience in management consulting business
2. Lead consultant should have at least 7 years of experience on management consulting including the experience of formation of policy, procedures and review/ audit of the same.
3. Good understanding of the non-profit sector and its working modalities.
4. Experience of giving consulting service for at least two non-profit projects/ organization funded by international agency.

Time Plan:

The maximum number of total work days for this consultancy amounts to 45 consultant days. The consultant shall propose a time plan for the implementation of the consultancy. The consultant shall start the work immediately after signing the contract. The final draft report shall be submitted latest by 35th day of signing of the contract. The final report must be submitted within 5 days of receiving the comments of NSET on the final draft report.

Requirement for Proposal:

The consultant (firm) must attach to the proposal a detailed budget with the following headings:

- Consultancy fee (per day and for total assignment)
- Costs for travel, printing, phone, fax, etc. as required
- Organizational overhead (if applicable)
- Other costs (to be specified)

Relevant documents and contacts

NSET will provide access to documents and information relevant for this consultancy. The following documents and contacts are recommended to be consulted:

- Existing personnel policy and procedural documents in relation to HR function and practice.
- Existing procedural documents in relation to Administration function and practice.
- Organizational structure, levels and positions, systems regarding the grades and steps, names of the positions and levels etc.
- Any other relevant documents for the assignment.