



Some Emerging Issues of Human Resources and Public Sector Reforms in India

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Introduction

The field of development administration seems to owe its existence, not to a patented disciplinary methodology or set of concepts, but to the practical needs of administrators and academics who have responded to demands for action and explanation in the face of concrete phenomena and operational necessities. So Weidner defined development administration in terms of "the process of guiding an organisation towards the achievement of progressive political, economic and social objectives that are authoritatively determined in one manner or another" (Weidner 1962:98). The key to this approach) and its major analytical problem, as Weidner himself recognised, is the existence of national goals which may be regarded as "authoritatively determined. Nonetheless, this approach distinguished development administration from the "law and order administration" characteristic of colonial regimes, which is often the historical precursor to development administration in specific countries, and is easily identified as less interested in change and more interested in the maintenance of the status quo (Hope 1984:68).

So one way of locating development administration as a distinct area of administration has been to see it as self-consciously achievement oriented and that achievement has focused on changing existing practice. In this way development administration has come to involve administrative development in terms of the improvement of the capacity of government to implement development programmes and the manner in which an administrative system reacts to social change.

If social change and the administrative response to it are adopted as the central focus of development administration, a number of conceptual tools become available. It is then possible to use the systems approach to establishing the complexity and interdependence of factors in administrative development. It will, however, be necessary at the same time to reject the assumption of the crudest systems literature which sees change as the manifestation of universal laws and to place instead the action of people at the centre. Similarly it may now be possible to use functionalism in its emphasis on systems-relevant consequences while rejecting the assumption of equilibrium and evolutionism. In this way "development" is seen not as a natural process but as an outcome directed and determined by the action of real people. So development administration becomes not only, or even principally, concerned with an outcome, rather the focus is shifted to process.

In this conceptualisation, development administration takes on all the political complexity of competing interest. In turn, once process is established as the central focus the endless argument over the measurement of outcomes becomes less vital and instead it is possible to focus on identifying improvements in administrative capability. The importance of process in development administration also goes to the nature of the field and its differentiation from related areas of concern. Hope and Armstrong have argued, for instance, that while development administration is but one factor in economic growth, its importance is strategic in that the administrative system determines the method of implementation of development policy and is subject to deliberate social control and

change (Hope and Armstrong 1980:320). So not only does the end not justify the means, but the means have a determinative impact on the end. This clearly places the behaviour of people and the organisations through which that behaviour finds expression in the centre of the development picture. For the present purpose it opens an avenue for conceptualising the role of human resource management in development.

That avenue seeks to make limited use of the functionalist approach which defines development administration as "the public administration of economic development" so that the purposes of development administration are to stimulate and facilitate defined programmes of social and economic progress ...(and) development administration is the administration of policies, programmes and projects to serve development purposes (Hope 1994:63).

The limitations of such an approach, as already mentioned, lie in the assumption of political equilibrium and the consequent overlooking of the process by which "development purposes" are defined in any particular polity. For this paper, however, such functionalism is useful in focusing attention on the impact of organisations on the operation of the systems of development administration. Development purposes — whatever they are and however they have been established — are better served by effective, efficient, productive, organisations.

Before considering the role of human resources management in this, however, it is necessary to return to the issue of the nature of development administration to abstract one more set of concepts concerned with the nature of development institutions.

INSTITUTIONAL CAPACITY AND DEVELOPMENT

Whereas the development administration prescriptions of the 1960s and 70s assumed a benevolent state, the 1980s saw an increased cynicism in regard to state agencies, going as far as the development of the view that these organisations served the interests of their own members rather than those of the border community (Hewitt, et al. 1992.ch.5). In the same period the "counter revolution in development theory and practice" (Toye 1987:22ff) led by neoclassical economist's challenged the idea that development should be led by governments arguing that private action was more effective. This challenged the very basis of much of the earlier development administration.

Critiques of the role of the state in development were also forthcoming from more political economists. The latter saw third world bureaucracies setting out to socially engineer their way out of poverty by providing basic needs, which they castigated the market for failing to do. While aware of the limitations of market mechanisms* however, they were less inclined to consider "the inherent limitations of an imperfect bureaucracy" or the suitability of their states as Vehicles for the public good (Lai 1983:103,108). In short, the assumption that there is a public interest, which states will be competent to identify and willing to serve, took a battering on all fronts.'

This created the political space for a reform agenda, which

in the area of development administration has focused, as already mentioned, on bureaucratic reform. While "market failure" had long been a rationale for government intervention, now "government failure" became an increasingly widely used term. The basis for this was seen in the dismal results of state organised production, the inefficiencies in the implementation of development programmes and the domination of public agencies by the private interests of their senior officials.

The response of the US development administration commentators was to call for "system-wide transformation", so as to make administration a fit instrument for carrying out social and economic policies and achieving the socio-economic goals of development" (Hope 1984:79-80). This does little to address the cynicism regarding the role of the state and in practice seems to suggest that what works in the US will work anywhere. With some sensitivity to this criticism, citizen participation may be seen as a pragmatic, rather than an ideological, strategy for improving the development process (Bryant and White 1982:211). In practical terms the decentralisation of bureaucracies seems a means of improving participation, and there is some empirical evidence that this has brought development administrators closer to citizens encouraging greater understanding and co-operation (Covyers 1983:98-101). An even more pragmatic argument for the benefits of participation is that it improves the strategic "fit" between beneficiary needs and programme objectives so that participation facilitates implementation because motivation to build and exploit the benefits is stronger when participants have agreed on a course of action (Paul 1983:95-6).

Indeed, for the more political economists the antidote for the failures of state intervention was "public action(defined as) a matter of participation of the public in the process of social change" (Dreze and Sen 1989:259). "While public action may not be for public benefit and is almost invariably motivated by sectional interest, the pluralist assumption has its own implications as to the role of the state as an impartial umpire above the squabbles of competing groups. The public action approach meets this objection with the view that the state can be reformed or "reversed" (Chambers 1988). This would be achieved by reforming the operation of administrative agencies. Bureaucracies would be decentralised so that they were closer to the communities they "ought" to serve and they would be diversified so that they reflected more accurately community variety. At a more micro level this type of bureaucratic reform would enhance the status of front line staff, create control systems which encourage interaction with service users and localise both control and resource allocation (Mackintosh 1992:85ff).

Such an approach has played a part in the reaction to policies of economic rationalism in Britain (LEWRG 1979), where political traditions add some credence to the pluralist assumptions concerning the role of the state. It is hard to see it working in environments in which people lack the freedom and organisational experience to exert pressure on state agencies or indeed where the state agencies themselves have a tradition of legitimacy not based on European political theory.

The point is that historically the institutional concomitant of development administration as "a carrier of injurious ideas" has been the creation of state agencies charged with development responsibilities (Fainsod 1963:2). As the performance of these agencies proved disappointing, development administration commentators stressed the need to enlarge the capacity of government (Riggs 1971:73) identifying "the mobilisation of bureaucratic skills for speeding up the development process" as essential (Garcia-Zamor 1973:422).

The assumption that development administration would be successful did not take serious account of the fact that many projects at both micro and macro levels simply failed (Quah 1979:25-36). For their part the neo-classical economists urged the abandonment of the central role of state agencies. In practice, however, such recommendations tended to

be subject to the "orthodox paradox" (Kahler 1990), in which the supremacy of financial, as against spending, ministries resulted in the straightening of some core state functions as the executive branch of government gained enhanced control over key economic variables. Meanwhile the development administration theorists stressed equity (Berg 1988), the perceived failures of the neo-classical economists (Toye 1987) and noted the return of the state as a central player (Evans et al. 1985).

What then can be taken from this general discussion of the character of development administration, which may assist in establishing a role within it for human resource management? Four points seem to stand out:

- ❖ Development administration is achievement oriented, progressive and involves change;
- ❖ Development policy is a process involving a symbiosis of policy making and implementation;
- ❖ The nature of state power and its forms in particular countries will have a determinative impact;
- ❖ The growth of administrative capacity is crucial to the chances of successful policy reform.

HUMAN RESOURCE MANAGEMENT IN DEVELOPMENT

Human resource management, for its part, is also fundamentally concerned with achieving change. Like development administration, human resource management is best regarded as a field of interest involving analytical tools and perceptions drawn from many disciplines economics, sociology psychology, political science and law being among the more obvious. From a management point of view the focus of human resource management is not at the macro level of social change but at the micro level of organisational innovation, with its core interest relating to the use of human resources within organisations in the most efficient, effective and productive manner.

On one hand this involves a development from a limited personnel function which sees management concerns with personnel elevated, into a more strategic concept of the role of employees in achieving the objectives of the organisation. So, for instance, the personnel issue of individual performance is transformed, under a human resource management approach, into a strategy of overall workforce motivation and productivity. This in turn takes human resource management into two other areas of traditional management focus: organisational behaviour and industrial relations. An effective strategy for achieving organisational objectives through innovative management of employees will obviously involve organisational behaviour concerns such as organisational design and culture as well as industrial relations issues such as decision-making, workforce participation, grievance procedures and dispute settlement.

So from a management point of view human resource management involves a "strategic contingent" approach to management of employees integrated with the objective of the organisation (Gardner and Palmer 1992:5-6). For a development administration committed to the achievement of certain goals there is clearly a potential overlap with human resource management/in the area of improving functional efficiency. In particular, bureaucratic reform — especially where development objectives are clearly stated as the motivation for change appears at face value to share much with the strategic contingent human resource management approach.

On the other hand there are also broader policy implications which give such an approach an additional area of potential overlap with the concerns of development administration. These involve the issue of labour policy in general and the institutional arrangement required for the achievement of economic development objectives. In this regard it may be that the micro focus of human resource management on the strategic role of employees in the achievement of organisational objectives also has macro applications in relation to the role of workers in the achievement of national development objectives. It is noticeable that those nations which have achieved

high levels of economic development have also been characterised by labour force commitment to productivity. So the "East Asian miracle" (World Bank 1993) is not just a miracle of policy or even of management. It is also a miracle of labour and employment relations.

Recent academic commentary on the role of labour in this process has been influenced by the perception that labour subordination" is the neglected reality of this economic growth (Deyo 1989) and a collection of Asia-Pacific regional country studies provide numerous examples of this position (Frenkel 1999) In general this scholarship sees itself as radical and sometimes as Marxist. The dilemma it faces in respect of worker behaviour is the same faced by Marx. Just as western European workers did not rush to join the socialist revolution he predicated, so Asian workers have accepted a level of managerial control which bemuses some non-Asian commentators. The traditional Marxist response to this situation is the concept of "false consciousness". The radical industrial sociologists have a more sophisticated view involving the concepts of pragmatic acceptance of the harsh realities of industrial life. But the impression remains that they are deeply disappointed that workers do not behave as they would like them to. A typical response of the industrialising elites to such intellectual criticism has been that for the majority of people in the region having work at all is something of a miracle and if the means of providing it infringes notions of political correctness derived from European political theory that is not too much of a problem-(Goh 1977)

The point, however, is- that one way or another labour policy has played a vital part in the achievement of this most spectacular economic growth. If other nations are to emulate this, they will need not only to get the macro economic settings right. They will also need to establish their own arrangements which allow the development of a committed workforce willing and capable of partnering capital in the achievement of economic development. At both the macro level of labour policy and at the micro level of organisational management labour relations scholarship has a contribution to make.

LABOUR RELATIONS AND DEVELOPMENT

Since the end of the Second World War a considerable literature has developed purporting to address the labour relations experience of countries seeking to achieve economic development. In its initial period it was the work of North American and European commentators who cast themselves in the role of advisers to governments and managers in such nations. This association of scholarship with operational need has had a similar impact to that observed earlier in this paper in respect of the same conjunction in the field of development administration. It resulted in a highly prescriptive literature, which neglected the process by which current systems and practices have come into being. In terms of labour policy this poor scholarship has failed to develop an analytical methodology and even overlooks the definition of commonly used terms. I have argued elsewhere that this has provided a poor basis upon which to evaluate actual experience of labour relations within a development context and has served to entrench assumptions based on experience in "developed" nations (Hess 1986:226).

One of the earliest and most systematic attempts to relate a broad theory of economic development to labour relations was that of the American- commentators Kerr, Dunlop, Harbison and Myers (1962). Their starting point was the impressive and unexpected performance of the economy of the USA in the 1950s. Continued growth rates and accompanying industrial peace encouraged them to predict "a world wide society of pluralistic industrialism" in which the obvious benefits of industrialism would allow industrialising elites to lead their less enlightened fellow citizens along a path sign-posted by these commentators themselves (Kerr et al. 1962: 2ff). Popular US authors such as the economist J.K. Galbraith and the sociologist Daniel Bell agreed that industrial conflict was a thing of the past and that the future of development lay in workers and employers sharing the aims and benefits of increased pro-

ductivity (Galbraith 1962:262, Bell 1996 0:375). The impact of this consensus was enormous with the "propagation of a model" becoming the norm in labour policy for "developing" countries (Windmuller 1963:569). In this regard the International Labour Organisation (ILO) played a significant role presenting the governments undertaking policies of development with a set of conventions and recommendations which were often adopted in lieu of a coherent policy or even alongside contradictory practice (Shafi 1960:320).

In specific terms the model for the development of labour policy offered by the industrialism approach was extremely optimistic on the question of workforce support for development and saw the real need as being the establishment of institutions to express, what was from this perspective, the established fact of co-operation. So the underlying problem in the transition from a traditional to an industrial society is not the adaptability of man. His capacity and eagerness for change is infinitely greater than is commonly recognised. The more fundamental factor is the suitability and adaptability of institutions (Kerr et al 1962:185-6)

For the ILO this has meant principally the establishment of a "web of rules" which would codify employment practices and legitimise the state's continued intervention as the impartial third party between management and labour. The case of Pakistan in the early 1980s as presented by Schregle was typical:

The emphasis of the labour policy ... was on sound and healthy relations between employers and workers as a pre-requisite for the productivity and industrial peace which was considered essential for economic progress (Schregle 1982:6).

The ILO's attachment to tripartism has not, however, been shared in practice by the majority of such governments and the relevance of Pakistan as an example in this respect seems particularly inappropriate. Most notably the incorporation of organised labour into state decision-making has not been favoured by the most successful of the governments undertaking programmes of economic development. This points to the two central weaknesses in the arguments of those who have urged tripartism as a norm of labour policy. On one hand workers have not automatically been the enthusiastic partners in development which this approach assumes. On the other hand many newly independent states have sought even more direct control over organised labour than their colonial predecessors.

To look at it from another angle, industrialising elites have often had resort to the most punitive sanctions to create the conditions for worker cooperation. Where this has been successful, as in Singapore and China, it has often been achieved under strong state organisation (Fong and Cheng 1978 Hearn 1977). This echoes the political scientists' argument that strong or populist states are more likely to be able to implement policies because of their ability to crush or incorporate real or potential opposition. While recent studies of the implementation of reform policies have "found little evidence for a relationship between economic reform and political authoritarianism" (Bates and Krueger 1993:459), in labour policy both the forcible exclusion of worker organisation from the decision-making process and the physical elimination of active members have been seen as effective in terms of reducing labour opposition to development policies (Angell 1972:79, Armstrong and Shenk 1982)

There are also, however, examples of incorporation as a successful strategy. From the populism of the Peronist regime (Baily 1967:151) to the more accommodative arrangements adopted in more recent years in Singapore (Leggett 1993:243), there is a line of commentary which stresses the benefits to labour policy and economic policy in general of bringing workers and their organisations to the bargaining table. Recent commentary of this sort avoids the older ILO assumption of tripartism as a self-evident political good and pre-

sents more subtle arguments regarding the effect of particular union structures on overall economic performance (Standiig 1992). It shares with the earlier commentary, however, a difficulty of fact: the majority of governments adopting policies of economic development have not accepted an accommodative approach in anything other than rhetoric.

It may well be that preferences in this matter have as much to do with timing as with ideology. As economies develop and employ more highly skilled labour the prospects for accommodative arrangements seem to increase. Citing examples from nations as different as Singapore, Thailand, the Philippines and Malaysia, Sharma posits the changing level of industrialisation as the most likely cause of alterations in relationships between organised labour and the state. So in a newly independent nation, principally involved in primary commodity production with an unlimited supply of labour, unions are likely to pursue political rather than economic goals and the nationalism of independence is likely to create a co-operative atmosphere. -As an economy develops, shortages of skilled

labour will create conditions favourable to the growth of economic unionism at the same time as governments are under pressure to contain wages and inflation to stimulate local savings and investment. This is the classic conflict situation. Finally, a yet higher stage of industrialisation may produce a more favourable climate for foreign investment, permit wage increases and allow the sort of guided collective bargaining observed in Singapore (Sharma 1991:94).

Conclusion

At the macro level of national policy then it appears that the potential for the application of human resource management insights is yet to be realised. What is clear enough is that further research is needed on the nature of the arrangements which have contributed to a shared commitment to productivity in those nations where this has been observed and on the factors which have inhibited such labour/management co-operation in those nations where it is not a characteristic of economic activity.