

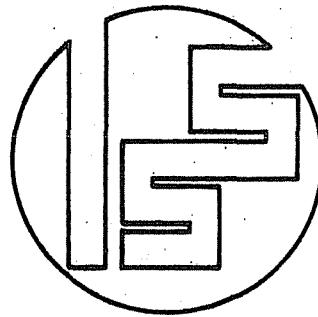
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OCCASIONAL PAPERS

The Scope of Management and Administration Problems
in Development

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20. *Administrative and Management Problems in Developing Economies*

THE SCOPE OF MANAGEMENT AND ADMINISTRATION PROBLEMS IN DEVELOPING ECONOMIES

Administrative and management problems in developing economies are concerned with the following:

- 1. **Establishing and maintaining administrative and organizational systems which are appropriate to the needs of the economy, both political and economic.**
- 2. **Developing appropriate administrative and organizational structures and procedures which are consistent with the economic and social development of the country.**
- 3. **Ensuring that available administrative and organizational resources are used effectively.**

Approaches to Management and Administration Development

The problems of administration and management in developing economies arise from a rapid change in expectations which is not matched by appropriate organizational and institutional change.⁽¹⁾ Gaps are seen in the capability and efficiency of established institutions to attain social goals, and gaps are seen in established structures, systems, and functions appropriate for new human values and relationships. These gaps cannot be adequately filled by international transfers of resources, nor can they be completely removed by vast new educational efforts. Institution and system building for the public and private sectors of the developing economy, while an intrinsic aspect of the development process, contribute only a fraction of the inputs of the complex process. This paper seeks to survey the issues of management and administration related to institution and system building. It does not anticipate to touch on all the problems or to assign orders of importance, let alone suggest universally satisfying solutions.

The need for administrative improvement in the developing economy ranges from generating a suitable policy, which helps to shape the value systems of the country, to the routine relationships between individual recipients of economic progress and the private and public

⁽¹⁾ *Administrative and Management Problems in Developing Economies*, by the author, 1966.

bureaucracies. Improvement needs to encompass the administration of agencies of the government in economic management and the conduct of policy implementation; the administration of public enterprises charged with the pursuit of stipulated economic goals; the administration of the multinational corporation which extends influence from a remote source to the basic economic change taking place in the national system; the administration of the indigenous small business, usually based on family ownership which is as much concerned with entrepreneurial development as with effective business administration; and the administration of individual finances. These are not distinction segments of the nation building problem since strong linkages and interdependencies are provided through the particular ethos and environment of national development itself.

The scope of administrative issues can also be seen to embrace the absence or prevalence of techniques used to solve administrative problems. Thus, the application of computer technology to administrative concerns, the use of sophisticated decision-making aids such as operations research, systems analysis, macro and micro economic planning, cost benefit analysis of administrative operations, as well as the basic elements of book-keeping useful for family budgeting are as much a problem of administrative development and improvement as are the problems of organizational structures and the relationships between the bureaucracies and political development.

Most of the traditional study of these problems of administration in developed countries have usually been within the disciplinary confines of either public administration or business administration, with greatest stress on the mechanics of the public sector. Developing countries, however, can not always afford the luxury of multi-

dimensional overlapping approaches - the time horizon is too short, the expense is too great and the structural break-down is not necessarily relevant. Broader, more problem-oriented approaches are necessary. Also a new understanding needs to be generated. As

Bennis notes: "The key to the problems of knowledge utilization (2) is collaboration between the producers and users of knowledge".

Close associations between academic disciplines such as public and business administration are more strongly indicated in developing economies than in advanced countries, not because individuals perform more functions normally separated in rich countries, but because the interactions normally dealt with by separate, compartmentalized disciplines are unusually strong. In addition, the absence of knowledge of the historical context and the psychological base of societies in the developing countries prevents the unification of findings derived from individual social science disciplines of the developed countries. (3)

Moreover, there is usually an exceptional congruency between the divisions of the social sciences and the occupational role systems in the developed countries which is not necessarily transferable to the developing countries. Experts in business management and public administration derive their solutions from interrelationships among particularized structures and organizations which have largely created the precepts and the divisions of the culture-bound disciplines. Increasingly, social action in developing countries is influenced by admixtures of the social sciences but new research of an autochthonous nature is required.

Additional directions and leads emerge when a more detailed consideration of certain aspects of individual and collective behavior is undertaken. In much academic "management" literature the emphasis

ISSUES ARISING FROM ORGANIZATIONAL CHANGE AND DEVELOPMENT

1. Political Development

For any political system there is no necessary fixed relationship between government institutions and their functions. For the most part, present day institutions in developing countries are in their political approaches an amalgam of traditional foundations and Western legal education. Much of the superstructure which has been borrowed from abroad does not work in the manner originally intended. Connections between the institutional apparatus and other elements in society are not close. The absence of interconnections between institutions, traditional and modern, make for a cumbersome administrative and managerial operation. The stress on formalism adds further rigidity to normally divergent elements. The technological skills are easily imported, but the environment for the application of these skills cannot be easily transplanted.

A developing economy, besides being characterized by increasing economic productivity and geographic and social mobility, is also characterized by an expanding political efficiency in mobilizing the human and material resources of the nation for national goals. As a simplification, we can say that for political advance to be made, national unification, economic modernization and aspirations for promoting welfare are prerequisites. (4) In addition, certain political and

The concept of political development has undergone a rapid metamorphosis in recent years. (5) There has been a widespread acceptance that economic development itself has a profound political dimension. A plethora of studies have been undertaken under the heading of "political development" producing drastic changes in

analytic approaches and generating considerable terminology and numerous typologies of classification. The construction of a theory of political development or political modernization has been associated with great debates over contents, criteria and approaches.

Demands to interpret the politics of newly emerging nations and traditional societies of the Third World extended the range of variables normally considered by the political scientist so that much of what is relevant in the concept of political development has operational significance for countries that are developing economically and socially as well as politically.

A very early taxonomy of usages of the term - political development - is provided by Packenham (7) who shows it to be a function of:

- (i) a legal-formal constitution;
- (ii) a level of economic development;
- (iii) the administrative capacity to maintain law and order;
- (iv) a social system that facilitates popular participation;
- (v) the political culture in which privileges and responsibilities are recognized in established processes.

Another inventory of the use of the concept is provided by Pye (8) who lists ten different approaches to the notion. Three core elements, however, emerge from the ten notions:

- (a) increasing equality among individuals in relation to the political system;
- (b) increasing capacity of the political system in relation to its environments;
- (c) increasing differentiation of institutions and structures within the political system.

These lie at the heart of the concept. In the list of Pye (8)

the very earliest and perhaps best known and most widely accepted approaches, political development is defined as:

- (1) the political prerequisite of economic development;
- (2) the politics typical of industrial societies;
- (3) political modernization;
- (4) the operation of a nation state;
- (5) administrative and legal development;
- (6) mass mobilization and participation;
- (7) the building of democracy;
- (8) stability and orderly change;
- (9) mobilization and power;
- (10) one aspect of multi-dimensional process of social change.

Although these notions suggest that western political systems represent an optimal form, political development in western countries has lately been more suspect as to its optimal configurations. Furthermore, despite a definite geographic boundary implied in the concept, more recent analysis suggests a global context of political change rather than an isolated nation context. (9)

Five major dimensions of political development have been advanced by the committee on Comparative Politics of the Social Science Research Council. (10) The major issues of political development are seen in crisis dimensions as:

- (1) a sense of common identity with the territorial system;
- (2) legitimacy as the social acceptance of an authoritative structure;
- (3) penetration as the process by which the political-administrative-juridical center of a new polity becomes accepted at the periphery and develops a capacity for implementing goals;
- (4) participation as the need for creating procedures for popular involvement and stimulating engagement;

(5) distribution as the crisis which arises from competitive claims for social and economic benefits.

With political change the varying components of the political system alter their structure and function at different rates. The major problems for the administrative system, then, are accentuated through imbalances emerging among the changing components. The major components according to Huntington (11) are:

- (a) culture - the dominant values, orientations, and myths relevant to politics;
- (b) structure - the formal organizations which make authoritative decisions;
- (c) groups - social and economic formations with demands on structures;
- (d) leadership - individuals in political institutions and groups exercising disproportionate influences on allocations of values;
- (e) policies - governmental activities designed to affect the distribution of benefits and penalties.

The public and private administrative system is both a generator of change by itself as well as a dependent system of change under the aegis of political change. It is subject to the simultaneous impacts of political and social change. The dominant features of the interplay between the administrative system and the political system vary from case to case depending upon the interplay of the components of political change. (12)

2. Bureaucracy and Organizational Change

Bureaucracy provides the continuing links of organizations, and is a powerful tool of change or non-change in developing countries.

As a social invention, bureaucracy has been immensely perfected in both private and governmental forms in developed countries and transposed and modified in developing countries. For many, the study of bureaucracy is synonymous with the study of administration. Administrative capability in pursuing organizational objectives, however, means more than the perfecting of the bureaucratic system.

Bureaucracy as conceptualized by Max Weber relies exclusively on the power to influence through reason and law and in its historical development was a reaction against subjective judgement, personal subjugation and nepotism. Crozier has identified three contemporary meanings of the term: (13)

- (i) government by bureaus by which power becomes the reign of law and order "but at the same time government without participation of the governed";
- (ii) rationalization of collective activities which is the basic Weberian sense; and
- (iii) the derogatory sense, which points to the slow, ponderous, routine and complex nature of organizational activity.

There are both functional and structural connotations to the term bureaucracy -- or "bureaucratism" as suggested by Riggs, who advocates the need for comparative studies of the role of bureaucracies in decision-formation and decision-implementation. The basic dimensions of a bureaucratic system have been outlined by Hall (14) as:

1. a division of labour based on functional specializations;
2. a well defined hierarchy of authority;
3. a system of rules covering the rights and duties of employees;
4. a system of procedures for dealing with work situations;
5. impersonality of interpersonal relations;

6. promotion and selection based on technical competence.

The bureaucratic machinery is modified over time through a shift in obligation, which may be the result of either a shift in emphasis or a shifting of the balance between the goals of government and the goals of the governed.

The behaviorist sees the shift in emphasis as resulting from a shift in the balance between the goals of management and the goals of workers. To the behaviorist, these goals and the variables which produce them and are affected by them, are not completely mechanistically rational-legal or static elements of an economic-technical system. For modernizing states where imbalances within organizations in both functional and structural terms are more likely, governmental power is frequently greater and the range of bureaucratic authority is correspondingly greater than found in developed countries. (15) With modernization and growth, assaults on bureaucracy increase because the expansion of technological change and diversification leads to:

- a) an interpenetration of government and legal-economic policies in business;
- b) an increase in other-directedness in which there is greater reliance on temporary social relationships with increasing industrialization; and
- c) adaptive systems of diverse specialists linked by coordinators rather than executives.

(16) The bureaucracies of developing countries although manifesting structural characteristics common to all bureaucracies, show significant behavioural variations in adapting to the particular political environment in which they function. Behavioural "deviations" however are based on classical models derived from western experience. It is clear nevertheless, that the political role of bureaucracies is usually more prominent in developing countries than in developed countries. (17)

They appear to be heavily engaged in matters of political decision-

-making as well as in the process of executing decisions made outside of the bureaucracy.

In terms of the sociologist, bureaucratization "is the process of rationalizing social organization, so as to improve operating efficiency and more effectively attain common goals".⁽¹⁸⁾ It is

an ongoing social process and refers to such activities as purpose-

ful goal-setting, information collection and its utilization, objective evaluation and decision-making as well as social and economic

planning. Rationality applies only to the ordered means used by

an organization to achieve goals and not to the ends. The process

of bureaucratization comes mostly in formal, large associations, al-

though informal, small organizations such as the family or a community

may not be completely devoid of some aspects of the process. Bureau-

cratization grows with an expansion of the organization, the form-

alizing of social ordering, secularization of values, norms and

goals and developments in social technology.⁽¹⁹⁾ Legitimacy of

authority and centralization of activities enhance the power of the bureaucratic process.

While the Weberian model of organization applies particularly

to business and governmental bureaucracies as well as to hierarchical

religious and military organizations, it does not particularly suit

organizations such as cooperatives, universities and hospitals and the

political parties. For some, the nature of compliance is used as a

basis for comparing diverse organizational structures and their

motivations. For this purpose compliance can be considered as "a

relationship consisting of the power employed by superiors to control

subordinates and the orientation of the subordinates to this power".⁽²⁰⁾

3. Economic Planning and Administrative Development

The capacity to plan in developing economies has been greatly expanded on the supply side because the technique of planning and its formulation depend upon a relatively small group of well-trained individuals. Nationals for this purpose can be trained abroad in a short space of time and can be effectively assisted by small numbers of foreign advisors. The capacity to implement plans, however, can not be expanded at the same rate as the capacity to make plans. This is because implementation involves the whole administrative structure of government as well as much of the private sector. Effective implementation is not always possible because of weak administrative structures. Nevertheless, feasible implementation is one of the tests of the realism of a plan as an instrument of development.

Implementation is always a presumed objective of national economic plans: it provides an assessment of the accuracy of project and program analysis and is a test of the capacity to invest and provide improved public services.

Of all developing economies, detailed planning was first accorded a central role in the national effort of India. The demand for planning grew rapidly in the 1960's. Providers of aid have demanded more systematic planning and the acceptance of the principle of planning in international agreements such as at Punta del Este in 1961 stimulated many governments to establish planning boards and commissions. In the process, many administrators became versed in the arts and techniques of plan formulation and new administrative bodies became involved in new governmental dimensions. Plans for development were advocated in developing countries no matter the pattern of ownership of economic resources.

Early planning efforts were concerned largely with general investment budgets. They were usually without specific provisions for implementation and had little impact on policy decisions. Frictions were not uncommon between planning commissions and ministries of finance and other branches of administration. Conflicts were frequently settled by giving planning commissions a more prominent role and involving them in policy making. (21) As the whole concept of planning has shifted away from detailed quantitative production targets to indicative prescription, planners have shifted their interests away from the drafting of abstract schemes and more towards administrative coordination.

Many strategies for economic development fail to consider the political and administrative capabilities which are necessary pre-conditions of success. Economic development alone can never be a viable single objective of any polity since for one thing it means different things to the components providing the legitimacy of the polity. Furthermore, the capabilities of political, administrative and social institutions in countries requiring economic development the most, are not found at levels presupposed in many national economic strategies. The economic analysis used has been largely developed for an economic subsystem of a larger social system for which typical problems of political and organizational change for developing countries have been largely solved or submerged and overcome in the rapid pace of industrialization and modernization.

The role of the state in promoting economic development is limited by the special features of the public sector and by a scarcity of critical inputs. Compared with the private sector, the public sector operates with a system of incentives and disincentives, or

penalties and rewards, along with the management of information which are less conducive to creative entrepreneurship, factor mobility and economical use of resources.

(22) Hierarchical structures, the methods of remuneration and compliance and centralization of decision-making and execution compound the economic defects.

Two sets of action can be identified in the process of economic development:

(a) Some state direction possible

(i) diversion of resources from current to future-oriented use;

(ii) specification of output required for economic development.

(b) Role of State more difficult:

(i) transformation of inputs into growth-oriented output;

(ii) economical use of all of nations' resources.

Bureaucratic structures of government in developing countries do not have adequate competence, sufficient information, a relevant communications system or enough freedom of action to efficiently contribute to product transformation. The alleged deficiencies of capital, foreign exchange and natural resources are minor relative to the deficiencies in statistical information, inventories of natural resources, and in legal, fiscal and administrative systems.

Despite all the problems in economic management and administration which can be listed, there have been significant improvements over the recent decades in the capacity of the developing countries to manage their economies and administer their development programs. The Pearson Commissions cites (24) as evidence:

(1) the development of statistical services which are essential for sound social and economic policy;

(2) control over the monetary and financial system by the central banks and finance ministries, where economic managers are becoming more acquainted with the appropriate tools;

(3) improvements in the capacity to plan and implement development programs although planning capability still appears to be greater than the capability to implement.

Much of development planning has tended to concentrate on selecting major policies; the plan which eventuates represents a set of major decisions. However, the preparation of development plans gives no assurance of plan implementation; there is no assurance that constructive development action will take place. Development action is not realized because of the difficulties of formulating rules and principles for the right solutions and of dealing with information feedback. Because of the complex empirical realities of development, various inputs from several social science fields are required for action programs. A framework for analysis is needed to help evaluate and improve action capability for development.

The dimensions of planning includes purposive activity directed at realizing stated development ends in various areas including economics, politics, and sociology. Another dimension is action-oriented which involves the implementation of carrying out desired actions. (25) This concerns the capability for carrying out the action, and then the assigning of concern for the consequences of action.

A systems approach entails interdisciplinary frameworks for action programs. A major problem is communication between the disciplines, each of which tends to have its own language of concepts, terms and methodology. The significant characteristics of a system are purposiveness -- a patterned arrangement of components or design --,

and the allocation of inputs in accord with some plan. Katz has defined a development action system "as a specific matrix of inter-related activities, directed at achieving defined development targets, according to plan, that form a coherent pattern of action, and that can be distinguished from other related matrices". (26) The major inputs for an action-systems framework are:

- 1) the manpower system,
- 2) the finance system,
- 3) the logistics system,
- 4) the participation system,
- 5) the legitimate power system, and
- 6) the information system.

In development, the administrative role of government is tactical as distinguished from strategic responsibility. This role stresses the importance of government as an agent of change both in respect to grand strategy and administrative tactics. The grand strategy of development includes the multiplicity of national objectives, the concerns of ruling elites, ideological mythologies, consideration of political values, and technical necessities. The tactical administrative functions for development action are: decision, specification, communication and control.

Governmental organizations are the means for integrating and conducting the development planning process. (27) They serve to integrate the systems with each other and with the environment in which they operate. (27) An organization is permeated by the ideology, the pattern of beliefs, values and goals that characterize the people involved. As a technical institution, the organization, created for development, is

concerned with altering existing conditions over time. But in addition to furthering its own economic and social development, an institution involves the emotion and aspirations of its recruited unemployed members, involving the personal goals and aspirations of its members, clients, and associates, and develops in them a concern for its continuation. National planning then and its successful implementation requires the building of institutions which draw upon the human dimensions of the nation as well as on its economic resources.

III

ADMINISTRATION AND MANAGEMENT IN DEVELOPING COUNTRIES

1. The Nature of Administrative Change and Its Obstacles

Historical legacies and forces creating static economic conditions have produced in most developing countries inadequate institutions and personnel to deal with the administrative and managerial tasks in the new drives for accelerated change. Both political and administrative institutions have to be evolved which are capable of assuring and sustaining more egalitarian values and nationally accepted political norms. The functions and responsibilities entailed in these changes are of recent origin and the traditional values and institutions face irresistible pressures for modernization, which in the simplest terms implies restructuring or replacement.

The administrative organs of society reflect the political environment and derive their legitimacy, formal substance and methods of operation from the constitutional, legal, institutional and prevailing sources of power in society. Administrative change is hardly possible without political change of some kind although the pace of modernization may vary as between the administrative and the political.

There is no end to the weaknesses which have been attributed to economic management and public administration in developing countries. Criticisms generally related, until recently, to organizational structural aspects, to constitutional competence, to integrity and adequacy of personnel systems, and to administrative processes. More recently, however, problems of implementation and assessment of capability, of integrating planning, budgetary and operational processes,

and management of public enterprises have also come to the fore.

A summary listing of administrative obstacles in developing countries is bound to include in vary proportions some of the following:

- (1) Organization and structural obstacles - these range from problems in the creation of new organizations for performing emerging functions, to rationalization of existing structures for achieving better results;
- (2) Administrative systems suffer from confusion over functions and responsibilities of different units, duplication of work, lack of coordination, excessive centralization and generally inadequate organizational arrangements for administration of various functions. Centralist tendencies in administrations are particularly great and hinder performance;
- (3) Shortcomings in personnel systems; career services based on merit have been the objective of many administrative improvement efforts;
- (4) Public service personnel lack knowledge and skills required for carrying out programs of economic and social development. Many continued to be governed by attitudes developed in colonial or feudal eras when development was hardly a major concern of public administration;
- (5) Corruption is wide spread, along with favoritism, nepotism, and jobbery. Many public services are used as welfare agencies to provide employment for educated members of society, who otherwise might become a source of political trouble. These services are overstaffed with the wrong kind of functionary and hence administrative reform measures are frequently stalemated.

and by political decisions; and, influence both in law and in practice.

(6) Members of the public service suffer from lack of motivation and low morale. Administrative leadership and supervision are of poor quality, since the discipline is lacking. In many countries the concept of full-time government employment is unknown in practice. There are special problems associated with use of scientific and technical personnel in the public services;

(7) Legalistic, dilatory and complex processes and procedures are major shortcomings. Before the advent of development the norm was a legalistic and control-minded management, whose procedures were based on limited functions of administration, and were inadequate for the new expansions. Current procedures still suffer from ambiguities, and encourage the status quo ante rather than attending to future arrangements which is the essence of management;

(8) Budgetary processes and procedures such as procurement of supplies and logistics are without a sound technical foundation. As an example, the lengthy procedures involved in land acquisition for development projects can be cited as a major factor in the slow progress of such projects;

(9) Interdepartmental rivalries and cumbersome committees complicate operating procedures and dilute responsibility for results.

Paramount to the administrative problem in the public sector is the realization that planning, budgeting and operating processes must be integrated to insure the contribution of development planning to national growth. Development planning is a joint-process in which every part of administration must participate effectively. There are needs for contributions from the political scientist and

sociologist as well as the economist in formulating development plans. The motions that planning and implementation are separated aspects of administration and that the private sector is sharply separated from the public sector must give way to notions of participative management and administration.

2. Dimensions of Management in Development

The persistent gap in managerial expertise is widely claimed as a major cause for poor performance in socio-economic development. Management is a significant element in business and industrial enterprise, project development, public utility concerns and public administration of general services. Modern management techniques require special training skills, particularly under conditions of rapidly changing technology and through the reduction of isolation in administrative systems. The identification of the managerial function helps focus on the training program as well as aiding in the selection of managers and administrators for training participation.

Managerial content differs in quality and scope according to the organizational objectives. The range of its operation depends upon the framework within which the function is exercised, within which decisions are taken, and within the extent of the environmental impact. Training for management is complicated by the nature of modern organizations especially industrial enterprises, which function in an economic, a regulatory and a social sphere. The enterprises control workers access to production, yet integrate the worker into a human organization upon which the productivity of the enterprise and contributions to the economy rest. The organizational and human factors in management require delicate balance; control

over workers' livelihood results in a fair measure of social control so that the organization has considerable power in regulating the behavior of individuals as well as of groups.

An organization has been described as "a group of people operating in places having, through the efforts of individuals, functional and differentiated relationships, differentiating the organization from its surroundings by the boundaries of explicit tasks to be performed". (28)

In contrast Selznik has described organizations as "technical instruments, designed as means to definite goals. They are judged on engineering premises; they are expendable". In the long run, nevertheless, national development depends greatly on the capacity to organize human activity, the essence of organization being the coordinated efforts of many persons toward common objectives. (30) All organizations require management:

government organizations aim at contributing to the management of the economy; business organizations require overall managerial guidance as well as detailed management of financial, commercial and industrial operations. Management consists normally of a hierarchy of individuals and a set of critical functions relevant to the organization. It has

been conceived as comprising three perspectives: (31)

- management as an economic resource;
- management as a system of authority;
- management as a class or an elite.

A broader view of management has been summarized by Chandrakant (32) to consist of six approaches:

- Management as a method of achieving objectives by organizing human resources. The management process school sees a manage-

ment element in every function embracing planning, organization, coordination, and control.

1. **Traditional approach**, which is an extension of the traditional "executive" approach.

2. **The behavioural science approach to management**, which focuses on the development of work environments and relationships and takes into account the inter-personal relations within organizational connections.

3. **The sociological approach to management**, which seeks to identify various forms of social relations to develop models of the relationships, cultural relations among social groups with the aim of systematic organization and the administration, which must be harmonized with the environment.

4. **Management as a study of experience**, which forms the basis for management, generalizing and accumulating experience, and generalizing on organizational activities, and constructing principles which underlie effective management.

5. **The decision theory of management** which focuses on rationalizing the decision-making process to embrace the selection of a particular course of action from a number of alternatives.

6. **The mathematical approach to management** is based on the notion of the quantification and the reduction of management to a model of the widespread quantification of managerial factors, which can be formed into a model that can be manipulated to demonstrate optimum solutions.

The process of modernization embraces all sections of society and the administration and the executive, a portion of the middle class, and has different implications and dimensions for each stratum. The introduction of scientific principles into management operations is a significant component of the process in change. Considerable problems are created by the introduction of new forms of managerial skills relevant to a particular developing country where a tradition-bound environment prevails. For the development of management much depends on the building of organizations and a body of human resources (33) geared to dynamic modernization processes.

As in the case of planning, perhaps the most significant advances in the application of management and administration has been in India.

which can result from a lack of concern over how to manage resources. The government has strongly recognized the importance of sound administration and management as determinants of economic performance. When India achieved independence, the problem of national economic planning and development was given such attention. Numerous organizations, some concerned with industrial promotion and training, were established; included were the National Productivity Council, the All-India Management Association, the Institutes of Management, and the National Institute for Training in Industrial Engineering. The industrial policy statement of 1948 enunciated the respective roles of the public and private sectors. The commercial class which had developed in India in the latter part of the 19th century were chiefly interested in banking, and money-lending activities; it was later strengthened by the commercialization of agriculture. The

The pattern of ownership in industry affects the nature of management, as well as entrepreneurial, research and design, and technical and managerial and administrative growth. Because of strong foreign competition, Indian entrepreneurs were deterred from venturing into industry at the beginning of the century. The commercial class which had developed in India in the latter part of the 19th century were chiefly interested in banking, and money-lending activities; it was later strengthened by the commercialization of agriculture. The ability to make wise investment decisions became more ingrained and intuitive rather than being based on general administrative talent and managerial concern with planning, coordination and control. (34)

The influence of trade and business prevented a clear distinction being made between entrepreneurial functions of an enterprise and operational characteristics of management. Government intervention in industrial development was made necessary because of the absence of autonomous institutions fostering economic development. Historically,

the development of education in India was geared to the supply of capable civil servants and a large proportion of government and civil service civil servants. Furthermore, Indian society is dominated by multiple

for certain types of work were common in an educational system not wholly relevant to the needs of modern development, were not conducive to sound economic growth. Technological training, which systematizes and develops the modern scientific knowledge of the world, and the experience of telescopes and microscopes, is still a low priority in higher education. High prestige in the bureaucratic system acquired by long experience in the civil service and administration of state departments, where experience is frequently the basis for selection for a top managerial position in industry.

A highly important management function in development is planning which aims to rationalize the management of societies. Ponsioen has suggested four basic models of management of relevance to developing economies: (35)

1. The imposition model: the manager formulates an order, or a guideline which his administrators have to translate into orders.

The expectation is that these orders are obeyed and carefully executed. In the course of its transmission, however, the order is sometimes changed in content by reinterpretation, partly through the interests of the receivers. The function of planning here is to advise the manager, to propose orders or guidelines for intermediate administrators, and to collect the feed-back information to reformulate the orders.

2. The convincing model: the manager produces orders or guidelines accompanied with supporting arguments. The disadvantage is that arguments provoke counterarguments and execution is delayed as long as the debate continues. The function of planning then is to produce convincing arguments for the manager and replies to the counter arguments.

A more practical way of convincing people to follow policy guidelines is through distributing rewards (financial ones, prestige

(responsibility and power) to those who follow them in an exemplary way. In this case incentives and rewards have to be planned also.

3. The participation model: managers formulate proposals, rather than orders. Public and private reactions are solicited and taken into account when the decision is made. An advantage of this model is that future subjects of the orders are informed in advance, their knowledge and wisdom is used, future resistances can be identified, and, if their suggestions are accepted, they are committed. It also provides a corrective to the value orientation of the planners.

Planning in this model becomes largely an instrument to a societal decision-making process. The plan in the first instance is a proposal, in the second instance a piece for negotiations, in the third instance a compromise. The need to execute the plan becomes a major issue in formulating the plan itself.

4. The interaction model: the function of management is

- (a) to identify the creative individuals on all levels of the organization;
- (b) to make these individuals communicate among themselves;
- (c) to pour new ideas continuously into this communication process;
- (d) to have decisions taken within the frame of this communication.

Basic tacit assumptions are:

- (i) that the whole organization adheres firmly to its goals;
- (ii) that on all levels individuals can be found, which are creative for these goals.

The function of the planning unit is that of a switchboard of communication within the organization; it channels all information relevant to the goals, received from outside or from inside a

and a system, to the appropriate levels of the organization and through them into the decision-making process. Not bad description though.

(36) Likert in dealing with styles of management in business organizations makes a similar, fourfold classification:

- (1) Exploitative-Authoritative, ~~authoritative~~ and ~~authoritarian~~ and ~~authoritarian~~
- (2) Benevolent-Authoritative, ~~authoritative~~ and ~~authoritarian~~ and ~~authoritarian~~
- (3) Consultative, ~~authoritative~~ and ~~authoritarian~~ and ~~authoritarian~~
- (4) Participative - (group management).

He considers the participative style likely to be the more efficient in the long run.

3. Problems of Program and Project Management

Programs and projects are increasingly used in developing countries and represent a crucial element in both the formulation and implementation of development plans. In general, the program approach

in development, its scope of operation, the nature of sponsorship,

and the decision-making processes involved follow the mainstream of authority and power-relationships in a society. Decision-making on

a new venture involves hidden risks as well as overt advantages which almost never arise from delegated authority. (37) In brief, decisions

on new programs are made at the heart of the source of authority in society and are quite distinct from routine functions of the public bureaucracy and industrial institutions.

When existing services cannot handle the task, the need for a new program may arise because:

1. the new activity will depend upon active participation of a group of existing organizations, each eager to maintain its own identity in structure. The new program then, can combine

the strength of all participants;

2. the type of work is essentially new and the existing framework cannot absorb the staff and ideas;
3. the new job is too complicated and a separate entity must be established;
4. the activity straddles administrative boundaries, either of a functional kind - such as community development — or geographical, such as a river basin program;
5. there is a need for a new specific source of income;
6. a new activity does not yet have the support of senior officials, and the benefit of the doubt is given to a group of junior acting activities or individuals, or to a private organization;
7. the function and purpose of the activity is clearly defined and recognized as separate from routine operations.

Programs have various origins; the sources of sponsorship include: the head of state, the cabinet, a cabinet member, a proposal through the full legislative process, a proposal and action emanating from an ad hoc body, a proposal and action by an authority or body induced by hidden pressure from other bodies, or an international program. Foreign consultants must generally be content to leave the sponsorship to the host government although in these cases the process of induction and transfer becomes complicated.

Program organization is usually quite separated from normal routine activities. In particular, more risks are allowed and more risks are imposed, which is counter-balanced by a deeper interest and a great awareness of the organizational problems to be encountered. Programs are frequently left to be carried out by dynamic young leaders, seniority counts less and the leadership role is

changed. Because there is more ability to innovate, resourcefulness and resilience are required. Training of program staff is usually necessary because of the newness of the program dimensions. Priority of resources to be used must be decided upon, which generates conflicts of priority order within the program and more especially with the routine services.

When a program comes of age in, say three-to-five years, hierarchical relationships inevitably develop. There are considerable differences between excellence in initiating a program and excellence in organizing later and more structured phases of development. "Hierarchy of course, is an insidious enemy of programs".⁽³⁸⁾ Support and applause are not always available and the environments for the program may be ringing with hostility.

Administrative means for protecting a program and safeguard-

ing its continuation include:

a. interest at the top of society — the choice of a protector is

extremely important, particularly in a politically tumultuous situation;

b. interest of the public — attention should not be overdone because public authorities know by intuition when there is undue

pressure to convince them of the value of a program.

c. financial semi-independence — the image of a program is best

served if the outside assistance is substantial, but remains a minority interest;

d. cooperation with services — requires a broad view from the leaders of the on-going governmental services.

It is axiomatic that in public administration as well as in business administration there is an equitable relationship between

authority and responsibility for all the participants in the management system. This relationship, however, is often an insufficient model for program development and management. The most appropriate chain is, "Status — Authority — Responsibility — Reward". Western biases tend to make one forget the intricacies of the whole system of attributes of management. (39) The higher rewards resulting from heavy

responsibility in a capitalistic, highly organized society lose meaning unless they lead to status; and the establishment is often lukewarm toward the idea of sharing status with the upstart, even in a free democratic society. (40)

In many cultures, authority cannot be exercised in forms of responsibility unless status is attached. When programs operate in a non-homogeneous cultural environment, the complications of the situation becomes involved. Each of the terms in the chain-link can have a different interpretation for various participants in the program. In on-going services, the relation "Authority" — "Responsibility" — "Reward" is usually very close. There are hierarchical levels, there is decentralization and delegation, and there is consultation and reporting. Salary levels are generally linked to responsibility. In a program, however, the links in the chain may be missing, or may relate to quite different groups. For example, status attached to a program may go to the honorary chairman, or to the sponsoring body, or the program may derive status and influence because it has high status sponsorship and protection. The status-bearer, however, may decline to carry responsibility and to disengage from authority. The link between authority and responsibility is consciously weakened. Responsibility is usually vested in the program manager, and top staff. They are expected to take initiatives and

solve problems. The confidence of board members and of the sponsor is the main authority behind the scenes which supports the executive staff in its operations.

Rewards are of the multiple nature, sometimes expressed in the salaries paid to the manager and staff, but often reward is the satisfaction and learning experiences as exemplified by volunteer workers.

In developing countries, civil servants are low-paid, which permits many programs to enlist part-time, and part-salaried staff members.

In Western society, a person is appointed to a position with specific responsibility and a commensurate reward. Authority is delegated and the individual seeks to prove his worth of that authority. Status comes afterwards, and in the form of symbols attached to it. In Western society authority, responsibility and reward are tangible and direct rather than symbolic. In other cultures, authority may be directly linked to visible status and not to hidden responsibility.

In many transitional societies, programs may have a brittle and dangerous existence because they do not fit into earlier societal relations. Society cannot completely lift programs out of its own transitional difficulties. In an ideal situation, also in traditional and transitional society, the key personnel in management can develop a common value, a sense of achievement and the pride attached to achievement. Achievement can be noticed by the manager and the sense of it can be transferred to the board or other staff members; it can be acknowledged by supporting and cooperating agencies as well as by the benefiting bodies. Achievement can be measured in terms of the ethos of the program, technical innovation, in spreading service, or in publicity and attendance levels, as the case may be; it does

not necessarily involve financial rewards. (41)

Administrative and managerial talents required for project and program development have numerous overlaps with those talents required in private industrial enterprise and in government departments but the institutional environment demands special considerations of its own.

Such as economic, cultural, political and organizational with regard to projects.

4. The Boundaries of Administrative and Managerial Studies

The study of public administration has typically been the study of government and its administrative agencies and executive employment with the study of public bureaucracies, while the study of business administration has been largely the study of private bureaucracies. Traditionally both fields have concentrated on such problems as personnel administration and financial administration. In recent years, however, the

relative importance of administration of both the public and private orientation in those areas has moved in other directions such as problems of organizational behavior, information systems, and problems relating to statistical methods and the mathematical application to decision-making. These trends emphasise the considerable overlap between the two fields and the convergence of the boundaries of the separate approaches.

Take one instance of possible overlaps. In organized decision-making two aspects can be distinguished. One is the choice of the goal objective, while the other is the choice of action necessary to achieve the objective. In public administration this distinction

between the choice of ends and the choice of means provides the distinction between the study of politics and study of administration. Traditionally in business administration where there is the assumption

of a single end and a single method of achieving that end, the choice of only one end, the study is concerned with the variations in the choice of means and techniques to achieve that end irrespective of the choice of means. The need for consideration of alternative ends

and alternative methods of achieving the same end is not so important in business administration as applied to developing economies is greater than for developed countries. The choice of means to maximize

given objectives is a central problem to both public and private

(42) administration.

As discussed earlier, any administrative system can be treated as an analytical, sub-system of political systems. As sub-systems of a social system the political and administrative institutions function for governmental programs, as well as non-governmental organizations. Within this arrangement, the market system becomes an important influence on political and administrative functions.

(43) According to Holt the role of government and the market system in the development process has been misconstrued in economic histories. Holt shows that Japan and England, which are typically conceived of as polar opposites in the manner in which they achieved economic take off, really had similar bureaucratic functions in operation. England is usually regarded as the model society which moved into the early stages of industrial revolution with the minimum of government intervention in the economy. Private capital, private management were regarded as the dominant factors. By contrast, Japan is usually regarded as the model late-comer to industrialization in which government played the major leading role. Public capital and public management were prominent features in the development process. (44)

This contrasting view arises largely from economic analyses which makes certain assumptions about the nature of government and its roles. The supporting statistics dealt with relative public and private capital formation, but Holt points out that these statistics are not consistent. The English economic histories by-and-large ignore expenditures for military durables or excluded them from the concept of capital formation. Statistics on Japanese growth, however, show public domestic capital formation as usually including expenditures on military

durables. Adjustment for these differences make the public capital formation statistics for the two countries more comparable and similar. Moreover, differences in the role of government have not been treated consistently as they might be by a scholar interested in comparative politics and comparative government. The essential similarity is that in both England and Japan, government was involved in processes of resource allocation. In Japan it occurred through direct public expenditure while in England it was through restrictions placed on joint stock companies. Both were deeply involved in allocating resources for social or government overhead capital and in the management of resources. Major differences occurred in the procedures taken.

In Japan the public bureaucracy was more involved in the direct management of resources, while in England the government placed important restraints on the decisions available to private investors and business management. (45)

In the beginnings of the industrialization process, both governments were prominent in the tension-management processes which involve the influencing of individuals holding positions of potential power.

Both governments later became further involved in the management of tensions through passage of factory legislation and the creation of new institutions to enforce the new industrial laws. Both governments also became more involved in the socialization process such as in public education and social control processes.

Problems associated with constructing a methodological approach to administration arise largely from difficulties of excluding normative considerations in the analysis of administrative problems.

Further problems stem from the fact that the approach involves the study of certain aspects of human behavior and must consider the

social setting of administrative action. It is obvious that it is not always possible to derive generalizations from the administrative action found in the environment of one country and apply them to administrative problems in a different environment. Any generalizations about public or private administration must take into account varying national and social characteristics; it is not easy to determine which aspects of administration are truly independent of the national and social setting. The study of administration therefore cannot rest on a narrowly defined knowledge of techniques and processes, but must extend to historical, sociological, economic, and other conditioning ecological factors. (45)

Much of the comparative study of administration and governmental structure has been limited in its range of interest, essentially deriving its concepts from western systems. It was normative because of its commitment to the values of constitutionalism and western liberal democracy, with an underlying belief that there is a natural evolution in this direction of political organization. (46) It concerned itself largely with political expressions, and far too little with political demonstrative actions. It tended to concentrate on institutions to the neglect of processes. It tended to be too descriptive and naively empirical, too little analytically, and sophisticatedly theoretical. Government was studied without the proper relations to either the motivation of the administrators themselves, or to the socio-economic context of the apparatus of government. (47)

Attempts have been made to show the conversion of political decision-making into administrative action by considering input-output systems of analysis. (48) Basically the political system is fed inputs that are processed through the output functions into policy.

decisions. The input functions include:

- 1) political socialization and recruitment,
- 2) interest articulation, with input and output,
- 3) interest aggregation, and
- 4) political communication.

The output functions include:

- a) rule-making,
- b) rule application, and
- 3) rule adjudication.

A system can be noted as modern by considering the extent to which structural differentiation and role differentiation have taken place.

Administrative outputs can be in terms of actions affecting public or private assets.

There has been a decided shift away from normative approaches which focus on the prescription of the ideal, or the suggestion of better patterns of administratively structured action using such criteria as efficiency, or public interest. One trend is towards empirical approaches which focus on the relevancy of actual phenomena and develop descriptive and analytical information for its own insights.

More recent developments in the comparative study of administration seek to underline generalizations, laws, and hypotheses, that assert regularities of behaviour and verifiable correlations between variables.

Also there has been more emphasis on the ecological approach which necessitates not recitations of facts of geography, history, or social structure, but rather analysis of the patterns of interactions between the subject of study and its environment. (49)

Unlike public administration, the study of business administration has assumed universal uniformity, rather than diversity. The study

of business administration has an increasing sophistication about the organizational environment, and increasing recognition of its heterogeneity and importance. There has been the assumption that the most important variables lie within the organization. There has been very little recognition of the role of cultural differences in the operation of business administration. The assumption of uniformity is a commitment to efficiency, lawfulness, and rationality; in Simon's terms: "maximizing these goals becomes satisficing". The comparative study of public administration being concerned with diversity in which there is a widespread value commitment, assumes that the American or western ways of doing things are not necessarily better or the best, or even the ideal. The theory of organization in both private and public fields has been largely culture bound, and is only gradually being supplemented by further analysis of administrative actions in contemporary societies, both advanced and primitive.

strukturni, politik, administrasi dan program ke arahnya yang

IV

ADMINISTRATIVE IMPROVEMENT AND RESOURCE TRANSFER

perbaikan administrasi dan transfer sumber daya dilakukan dalam bentuk pengembangan dan peningkatan kualitas administrasi dan pengembangan sumber daya

1. Change and Reform

perbaikan administrasi dan transfer sumber daya dilakukan dalam bentuk pengembangan dan peningkatan kualitas administrasi dan pengembangan sumber daya

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burgeoning supply of managers and administrators trained in modern techniques.

Despite these needs for change, most developing countries show a remarkably high degree of historical continuity in administrative patterns, practices and behavior. Occasionally new dimensions and aspects were added to prevailing systems. But basically, civil service practices, patterns of field administration, and general administrative behavior continue to be influenced by ideas and practices introduced many decades ago. Historical experience suggests that administrative systems are composites of different layers rather than strictly organic growths. (51) Administrative institutions and practices were often created in response to emergency needs in the public domain usually under pressure from the foreign or domestic private sector. These structures showed strong tendencies towards self-perpetuation, a major thrust being towards substituting personal administration of individuals by legal norms, formulated and enforced by specialized organizations and functionaries. Administrative doctrine that developed as a result of the transition, emphasized stability and security, methods and procedures, routine and anticipated responses, along with conformity and caption.

Independence was followed immediately. Administrations and their independence departments, a fast growing and uncontrolled public administration, affairs departments, diplomatic connections, central banking systems, and defense establishments had to be immediately established. Previously well defined administrative entities, autonomy and authority, prevailing patterns of administration were usually allowed to continue with independence. In general, a proliferation of organizations and processes, frequently uncontrolled became symptomatic of the next stage of underdevelopment. Today in every country, the public administrative sector is larger than ever before. It directly

consumes, or controls an enlarged share of national income and ~~govern~~ impinges more directly than ever before on the welfare and prosperity of individual citizens.

In spite of administrative expansion, there is a lag between the quality of public administration and public policy needs, and between the quality of administration in the private sector and economic expectations. Most nations have appointed committees and commissions to study administrative problems and suggest solutions.

The first step of new states was towards nationalization of the public services. The emphasis here was on the transfer of power rather than the job of retooling for development. Subsequently, administrative reforms have been more concerned with the reorganizations of ministries and departments than with fundamental changes in operation. Even when genuine reorganization was undertaken, the outcome was limited because of the absence of simultaneous changes in personnel systems and other aspects of administration.

Reform efforts have aimed at the creation and strengthening of career services, based on merit, reorganization of public services to facilitate better use of scientific and technical personnel, to popularize modern management techniques, and generally to change the attitudes of the public services. Nevertheless, constitutional and political reasons frequently make personnel changes difficult. Budgetary reforms on the other hand, were easier to introduce and have aimed at simplifying procedures, reassigning financial powers to central and operating agencies, and adopting better accounting systems.

Reform itself has sometimes been institutionalized in the form of special agencies charged with continual appraisal of the

administrative system for purposes of reform. The major preoccupation has been with internal structures and relationships of administrative functions. Significant administrative changes, particularly those involving the environment, have come through reforms basically conceived in political terms, as for example community development programs. The creation of public corporations has often been recommended as another solution in dealing with existing structures. They have been formed not only for administering public enterprises but for such traditional functions as education, health and agriculture. This route of administrative expediency is frequently an acknowledgement of political failure in dealing with traditional agencies.

While the values sought through administrative reform are taken as efficiency and economy, political responsibility and responsiveness provide the context for many reform measures. The system of administration reflects the balance between contending groups and values, which may not enhance prospects for reform implementation. Because of conflicts in value systems, administrative reform which also brings economy and efficiency has had limited success.

With no consensus on underlying causes or on paradigms of administrative weaknesses and with a plethora of suggestions for improvement, the basic problem is to manoeuvre the advice into politically feasible operations. Experimental strategies are suspect, the usual preference in administrative change being along classical structural lines with stress on order and control of organization which can be depicted in organizational charts and on principles of management which rely on written orders. Although less clearly defined conceptually, administrative improvement programs which emphasize the human element in administration and are concerned with

an environment conducive to individual initiative and creativity, furthering

are nevertheless becoming more significant in educational and

training programs for administrators. The products of such programs are more likely to provide catalytic action for administrative breakthroughs.

improvement. A more predominant role can be played by the admin-

istrative generalist and through interdisciplinary approaches or teams comprising administrative and technical expertise. (52)

vast body of knowledge on management techniques has come into exist-

ence and awaits to be reflected in administrative rationalization.

and development. It seems that a major objective of central admin-

Administrative reform should be to identify appropriate management techniques and to promote their adaptation.

For more information, contact the U.S. Environmental Protection Agency's Office of Water, Washington, D.C. 20460.

2. The Transfer of Managerial and Administrative Skills

In a world which places high esteem on technological modernization, there is a natural flow of modern management administrative techniques from advanced, high-stocked, countries to developing, low-stocked, countries. The flow, initiated because of basic differences

in stocks, also generate effects which are not necessarily similar in

the two sets of countries. There are lags in the flow and appreciation of techniques, so that the most recent techniques are not necessarily

those being currently applied in the recipient country. Furthermore,

there are resistances of different economic classes in different

regions affecting the flows and the adaptability of the flows. The

absorptive capacity for foreign skills varies among regions and
regimes. It is not to be expected that the flow of techniques will

make the recipient identical to the supplying country either in

structure or administrative effectiveness. Techniques are influenced by the environment in which they are applied; even if the concept remains unchanged, the technique in application will bear the imprint of the environment.

In advanced countries, administrative techniques are designed to meet conditions of high labor costs and a relative abundance of capital. The impetus is to bring about economies of labor which force development through labor saving techniques, the most significant being those concentrating on mechanization and automation. In contrast, developing economies usually face widespread unemployment of labor and a relative shortage of capital. Demands for new industries and infrastructure will frequently have greater priority on scarce capital resources over labor-saving techniques than do routine demands for traditional services. Mechanization cannot be justified simply by reference to unit-level productivity because social costs and social tensions are more significant to the decision-makers than simple profitability. The focus in a developing country most usually is on an increased utilization of available physical resources, rather than on reduced labor costs, than on labor productivity, than on effecting economies in the use of labor.

Because of the vast difference in approach, and the absence of a middle ground of administration, the importation of management technique from advanced countries frequently adds more problems than it solves. There is a need in most developing countries to nationalize or institutionalize the new supplies of management technique for the most suitable domestic application. The great differences in the socio-cultural environment between advanced and developing countries makes the transfer of management and administrative techniques difficult. For example, the absence of a feudalistic system in the United States

permitted the development of techniques free from feudalistic influences. In a country like India however, these influences must be faced every-day in its modernization applications. Social and cultural factors, bureaucratic systems, recent diversities, attitudes of top management, and entrepreneurial elites inhibit the rate at which management techniques can be introduced and absorbed. The attitudes of top management and the ethos of the organization can undermine knowledge already acquired in management and administrative sciences. The delay in reducing these barriers therefore, must be counted as an extra cost in acquiring administrative and management knowledge.

Techniques for institutional change become an important aspect of management and administrative training imported into developing countries. One approach that has been used is to emphasize behavioral aspects of management and organizations, so that effective implementation is enhanced. Subjects such as human relations, organisational theory, conflict resolution and communications become significant in training programs of this kind.

In developing countries, management operates under a wide range of controls and constraints necessitated by scarcities of raw materials, foreign exchange, governmental management of the economy. In addition, inadequate information and poor communications skills decrease the immediate effectiveness of management techniques. Sophisticated techniques which depend upon a whole substratum of institutions cannot be applied if this substratum is deficient in one way or another.

Management and administration operations under free market conditions differ from those in economies subject to planning. Sectoral and regional differences in social cost/benefits are more likely

to find correctives in the planning state than in the market economy.

Management and administrative training frequently made available from advanced countries does not always take these dimensions into account. The training of economic planners which entails exposure to the nature of market and planned economies, does not always include subjects in management and administrative techniques. There is a surprising lack of rapport and interaction between economists and administrators. This is partly attributed to the compartmentalized educational system, derived from the advanced countries whose market-oriented culture, does not make interaction of this kind as feasible or as necessary.

In many developing countries there are, of course, many segments which are completely untouched by modern management and administrative techniques. In numerous developing countries, most attention is given to the improvement and application of management in the industrial enterprises. Little attention is given to the agricultural sector where the major bulk of the economic operations may be located. Furthermore, the central government, which might strongly support the adoption of management techniques for the country, frequently avoids application of modern management and administrative techniques for its own operations. Although sporadic and ritualistic efforts have been made through organization and methods units, strongly supported by the Public Administration Division of the United Nations, the results on management and administrative improvement have been meager compared to the growing needs. Changes in approach to the problem, nevertheless, are producing new inputs and concepts useful for guiding new development efforts.

In the developing countries, the technological gap cannot be

overcome through resource transfers alone. Feeding in new technology, is a slow process. Part of the technological transfer problem is the difficulty of subordinating technology to ancillary factors. (53)

The mechanism of technology transfer and adjustment, however, is essential for any substantial improvement of the system. In the absence of adequate transfers, indigenous peoples must undertake the changes themselves. ~~Community data~~ ~~Indigenous~~ ~~data~~ ~~and~~ ~~indigenous~~ ~~people~~ ~~must~~ ~~make~~ ~~the~~ ~~changes~~

More effective delivery systems are needed to enhance administrative capability in public services, agriculture, family planning and urban affairs. The building of local private and public institutions utilizing strong management and action programs are greatly fostered by attitudinal, behavioral and social changes which can accommodate modern technologies. The organizing and activating of constituents to interact with administrative structures will add greatly to the development effort. This involves the integration of specialized public and private agencies in rural and urban areas and their articulation with the local political process. Trade unions, business groups and cooperatives could be encouraged through some transfer of management and administrative skills to improve government performance and the private and public bureaucracies. Transfer mechanisms that are extra-governmental in design are needed for this purpose.

3. Management and Administration Education

Given the serious shortages of managers and administrators as a critical bottleneck in many developing economies, efforts to supply management and administrative education are likely to produce some beneficial results, although the nature of the most appropriate curriculum is the subject of much controversy. (54) Such education,

nevertheless, must be adaptive, multi-disciplinary, related to changing environmental conditions and attuned to possible impacts of cultural interchange. Several basic organizational problems have to be recognized. Some overseas educational institutions in new fields of education have already been established and some are host country establishments with nationals of the host country in charge. The mission of these institutions in line with social and economic development plans, is to provide efficient coordination of developmental efforts, to understand the variables of change in broad terms and to provide the leadership to produce organized creative change. Broadly the role of the administration and management school is to produce, at the university, or within public or private institutions, managers capable of researching local problem areas and operating creative change in society's institutions.

Many developing countries find that the scarce resources are entrepreneurial ability and creative talent which is mobile enough to grapple with diverse elements of change. Training for entrepreneurial development is still subject to much experimentation. Trained managers for industry, commerce and government are few and are generally overworked and inflexible within existing bureaucracies. (55) Independent institutes of education and research provide possible conduits for forces and influences promoting economic and political change. Such developing institutions however need stronger ties with their clienteles in industry and government and to expand their facilities. (56) Managers of overseas assistance programs for these purposes, encounter the problem of selecting the most appropriate local institutions with which to work when the output might be critical of governmental performance.

It is generally acknowledged that management education and training in India over the past few decades has been phenomenal; and for some it might serve as a guide to development potentials. Every kind of organization, university, technical college, staff college, management association, productivity council, management consultancy, private training organization and school of administration has shown significant expansion over the recent decade. There is still need, nevertheless, for coordination in this outburst of activity and careful direction into coherent schemes designed for meeting future requirements. The acceptance of the notion that formal managerial instruction can be part of administrative development is of recent vintage. Steps beyond the tentative and experimental approach adopted by many institutions and businesses are needed in many developing countries. (57) In India, the shortened time gap for the effective application of this training and education means that a good basis for future development has already been devised.

Increased investment in physical plant and infrastructure has not always yielded expected results because of constraints placed on the system by poor management. For a few developing economies technical skills and educated manpower are relatively adequate for the industrial sector, but competent managers continue to be scarce and impose limitations on economic progress. The major problem here, is the inappropriate mix of investment in human capital rather than in a serious deficiency of overall investment. Management education has been one area where higher priority could be assigned in the allocation of investment for human capital expansion.

The benefits of management and administrative education are numerous. Its primary objective is to augment and upgrade the supply

of managerial input required for the efficient production and distribution of commodities and public services to serve social goals. The benefits of a particular educational project then, must be measured in the light of this primary objective. The quality of managerial skills may be improved by recruiting fresh graduates and developing managerial skills through on-the-job training and the accumulation of experience. Training programs for short periods can be supplied for managers with proven ability or growth potential. Additional social and cultural benefits achieved from management education lie beyond the primary objective of improving production and distribution and can be discerned in a full cost/benefit analysis. To the extent that management education generates benefits or services that cannot be fully valued in monetary terms, the true benefits are obviously understated. The creation of managerial inputs is accomplished by imparting education to students who are eventually remunerated on the basis of their services. The products turned out by the educational investment receive private benefits or private returns. Apart from the returns measurable in money, other returns such as greater job satisfaction, a sense of prestige, or well being are part of the overall benefits attributable to the education. Far beyond these returns are the social improvements arising from the promotion of ideas of managerial efficiency and a broadening of administrative change into the sub-systems of the institutional structure.

As already pointed out, many sectors of developing economies are unaffected by modern systems of management and administration. Many segments of the infrastructure are devoid of modern techniques of management. (58) If these techniques were applied, there would be significant multiplier effects on the rest of the economy. In India

it is estimated that 95 per cent of the training effort has been confined in its application to a very small segment of the economy. This lopsided development is sometimes caused by a lack of appreciation of management techniques in sectors which produce most.

It is increasingly stressed that techniques of advanced countries need considerable adaptation for the developing economy. In effect, the techniques have to be reprocessed for considerable parts of the educational adaptation. In the reprocessing, local environment factors, specialized government controls, labor surplus situations, and features of the planned state of the economy must be introduced.

In order to make management and administrative techniques more widely available, strong efforts have to be made by the government through educational programs to stress the awareness of the availability, relevance, and significance of these techniques. Industry based, local, programs of research and application must be developed. Attention has to be given to the interaction between the environment and the process of modernization of which modern management techniques is a significant element. The links between government, industry and universities must become more pragmatic with strong liaison facilities.

Examinations of management operations applied in the United States, United Kingdom, and the European countries reveal considerable differences. In the United Kingdom, for example, one study showed (59) a major weakness in British management to be the indifference to modern practices for improving productivity. The progress of management education clearly requires a mental revolution in private and public sector enterprises. There is need for a wider appreciation of the advantages (and disadvantages) of modernized management and its

attendant economic, social, and technological implications. Training within industry and government has been a widely used technique for disseminating appreciation of management techniques but to support and speed their growth they need to be supplemented by executive and senior administrator development programs, preferably in regional centers.

There is obviously a strong distinction between training and education and their respective curricula. This frequently makes for considerable separation between the types of institution. Such strong distinctions although perhaps viable for a long-run leisurely approach to development are not necessarily relevant for the immediate situation in most countries. Additionally, programs which provide a body of up-to-date practical knowledge for developing managerial and administrative competence at a faster pace must be introduced. The acquisition of tools and skills for the mastery of everyday practical situations should be developed in conjunction with learning capable of enriching the mind for dealing with new situations and examining basic human values.

Many forces operate today which alter the approach to management education. (60) Typically, one general methodology for achieving these management and administration education objectives consists of the following aims:

- 1) to impart a theoretical background of those academic disciplines related to management and administration;
- 2) to enhance the analytical ability of the participants and to acquaint them with the tools and techniques for better decision-making in diverse systems;

- 3) to develop a frame of reference which enables participants to perceive the complex elements and forces affecting the situations in systems of business, industry, government and service institutions and to handle them realistically by relating knowledge to practical situations; and to accomplish this with motivation put
- 4) to develop an understanding of specific functional areas of management and administration science in various levels with particular emphasis on the interrelationships;
- 5) to help participants develop an understanding of organizational behavior, and to provide opportunities for increasing interpersonal skills with the aim of becoming effective executives;
- 6) to foster a sense of professional ethics into disciplinary approaches which are helpful for achieving these objectives.

At another level there is a need for research and training in policy making. The importance of effective policy making in the developing countries is emphasised by the critical range of decisions needed for accelerated and directed social change. (61) A constant improvement of the policy making process is needed at many administrative levels. The study of policy analysis and decision-making by knowledge of operations research, simulation models, behavioral science, paradigms of the physical sciences and insights into policy procedures in developing economies, suggest only a few of the topics for education in this relatively new field of study.

Personnel needed for the management and administration of development consist of a wide range of trained individuals. Training and education can take many forms to meet national, regional, functional and emergency needs in a great diversity of organizations and institutions. Private and public institutions need to be served by a growing output

of capable administrators and managers linked to the development objectives and modifying and improving the development process as an essential part of their participation. Existing personnel in administrative operations require a continuing education, constant up-grading and a multiplying motivation for self-development in the achievement of organization objectives.

ADMINISTRATIVE CHANGE IN SYSTEM BUILDING: THEORETICAL AND PRACTICAL ASPECTS

V

Administrative change in system building: Theoretical and practical aspects
and some implications for educational planning

SUMMARY

Administrative change is inherently involved in system building and may well be a significant factor in the process of modernization. The need for national modernization. As one of the key elements in the management of modernization, administrative development must be given special attention. For administrative development requires much attention to the educational system, especially from an educational planning viewpoint. Fostered through international exchange, administrative development has led to the international transfer of resources and vast injections of educational development, it is still mainly dependent upon a national acceptance of political and bureaucratic modernization designed to seek the achievement of new social objectives. Available for this administrative development is a great range of recently forged management tools and methods, whose selection and rejection will be critical for the success of the modernization program.

In the main, the study of administrative and management problems has been fashioned too closely on the industrialization model of Western developed countries, and has not sufficiently differentiated from the developing countries in which academic disciplines and procedures have been structured for a process of industrialization not now relevant to modern development. Similarly, administrative development in most of the developing countries, either Western or otherwise. The occupational role systems of the developed countries which have structured the separation into relatively self-contained administrative and academic separate academic systems are not necessarily transferable to the developing countries. Similarly, the political systems developing in the new nations is to a large degree an amalgam of traditional systems and Western legal education and Western models are not necessarily relevant. The administrative structures and institutions are unsuited for the development of the modernization process and therefore will be unable to meet the full range of development tasks. Institution building in both the private and public sectors is needed to meet the emerging changes in social, economic and political goals.

New understandings of relevant political development are emerging through comparative analysis and a new orientation of social scientists to the political realities and needs of developing economies. The components of culture, structure, groups, leaders and policy design must be incorporated in the analysis of the relationships between public and private management and the changing political system. An understanding of the private and public bureaucratic system of developing economies includes an appreciation of behavioral variations without the imposition of an ideal behavioral model.

National planning to achieve economic and social goals is a major factor challenging existing administrative systems. Since the capacity to implement plans involves the administrative structure of the public and private sector and is also a test of the realism of national objectives, suitable administrative change and the means to achieve it must be incorporated as critical elements of national planning. Economic planning without administrative planning can be a futile exercise. The capabilities of political, administrative and social institutions in countries requiring economic development the most, are not found at levels frequently presupposed in many national economic strategies. Differences in the reward and incentive systems between the public and private sectors require flexible planning and management. A concentration on the macro-economic framework which cannot be translated into sectoral, regional or industrial projects, conceals much of the administrative problem in national planning. The systems approach to planning, although calling for more information than is usually available, incorporates the administrative systems as a major input.

A long list of administrative obstacles to development can be constructed, but no general system is available to point out the most

critical of the obstacles or which should be dealt with first with the limited resources available. Administrative change and growth also bring new problems requiring solution. There is continuous interaction between social change and administrative change. Traditional models of administrative relationships are not necessarily appropriate and each country has its particular pattern of administrative difficulty. It is obvious, nevertheless, that obstacles should be exposed and dealt with by whatever social forces that can be mustered and spared for that purpose.

Conceptually, administration and management are closely related and there is a growing tendency to use the terms interchangeably in development. The science of management which has grown chiefly around the large private business corporation has increasing potential application to problems of national management. Management tools are of increasing relevance to the understanding of public policy problems and so far have only been assimilated in minor degrees by public administration systems. The lack of adequate data systems, competent personnel and the necessary financial resources make elaborate management systems beyond the reach of most developing countries. Moreover, the fact that many of the new management techniques are geared to tactics rather than to strategy, affect decision-making at the margin rather than bringing about structural adjustment and bear on problems on the highly organized rather the loosely organized institution, make their full adoption less meaningful for many developing economies.

With national change, the administrator faces new roles as entrepreneur, innovator, regulator, promotor, manager and catalyst. In

addition, he operates in a context of political and institution change and reform, although rarely to the complete exclusion of traditional responsibilities and practices. This task can only be met through a constant process of education and re-education.

While the transfer from abroad of managerial and administrative experts can alleviate some of the immediate burdens and the administrator can learn about the techniques devised in advanced countries, knowledge about the particular requirements and programs for meeting the needs, have to be provided by adequate research of local conditions. In some cases the importation of management techniques from abroad can add more problems than it solves. More of the technical assistance which comes from abroad might better be employed by having nationals research national problems and examine possible solutions. Moreover, the over concentration of administrative improvement in a few centers and industries could be better enhanced through a greater dispersion of administrative knowledge. This administrative knowledge must be built on the contributions of many academic disciplines, be essentially multi-disciplinary in character, be geared to dynamic processes of institution building and be capable of testing potential contributions of the new administrative and management sciences.

Research will be particularly useful in the analysis of local problems and needs and in the development of administrative techniques and methods.

FOOTNOTES

Chapter 1 clear and a place of itself explained the historical background and the present status and trends of political development in various countries

(1) "The entire modern world suffers from an imbalance between technological advance, on the one hand, and institutional and social change, on the other hand". U.N. Economic Bulletin for Asia and the Far East, No. 3 XVII, December 1966, p. 19.

(2) Warren G. Bennis, Changing Organizations, New York, McGraw Hill, 1966, p. 208.

(3) Cf. Michael Lipton, "Interdisciplinary Studies in Less Developed Countries", The Journal of Development Studies, Vol. 7 No. 1 October 1970, p. 5.

(4) Cf. A.F.K. Organski, The Stages of Political Development, New York, Alfred A. Knopf. 1965 p. 7.

(5) See Samuel P. Huntington, "The Change to Change - Modernization, Development and Politics", Comparative Politics, Vol. 3 No. 3, April 1971, pp. 283-322.

(6) See in particular Martin R. Doornbos, "Political Development and Search for Criteria", Development and Change, Vol. 1 No. 1 1969 pp. 93-115.

(7) Robert A. Packenham, "Approaches to the Study of Political Development", World Politics XVII, 1964 pp. 108-20.

(8) Lucian W. Pye, "The Concept of Political Development", The Annals No. 358 March 1965, pp. 1-13; cf. Huntington, op.cit. p. 301.

(9) Doornbos, op.cit. p. 101; cf. Huntington, op.cit. p. 303, 304.

(10) Gabriel Almond, and James S. Coleman, The Politics of the Developing Areas, Princeton, University Press 1960, p. 23, 24. Originally, integration, was included as a sixth crisis dimension. Its concern with the "problems of relating popular politics to governmental performance" later proved to be too nebulous a notion to handle within the scheme. See Huntington, op.cit. p. 313.

(11) Huntington, op.cit. p. 316.

(12) The politics of industrialization and impacts on administrative structure and function are obviously immensely different for bourgeois, Stalinist, or fascist political development. See Organski, op.cit.

(13) Michel Crozier, The Bureaucratic Phenomenon, Chicago, University of Chicago Press, 1964, p. 3; see also Fred W. Riggs, "Bureaucratic Politics in Comparative Perspective" in Fred W. Riggs (ed.) Frontiers of Development Administration, Durham, Duke University Press, 1970.

- (14) R.H. Hall, "The Concept of Bureaucracy: an Empirical Assessment," The American Journal of Sociology, Vol. 69, 1963, p. 33; see also Warren G. Bennis, Changing Organizations, New York, McGraw Hill, 1966 p. 5.
- (15) Cf. Riggs, op.cit. p. 406.
- (16) See Bennis, op.cit. pp. 10-14.
- (17) Ferrel Heady, "Bureaucracies in Developing Countries" in Fred W. Riggs, op.cit. p. 461.
- (18) Marvin E. Olsen, The Process of Social Organization, London, Hold, Rinehart and Winston, 1968, p. 297.
- (19) Peter M. Blau, Bureaucracy in Modern Society, New York, Random House Inc. 1956.
- (20) Amitzi Etzioni, Complex Organizations, New York, The Free Press, 1966 pp. xv, and 3ff.
- (21) Lester B. Pearson, Partners in Development: Report of the Commission on International Development, London, Pall Mall Press 1969 p. 44.
- (22) Joseph J. Spengler, "Allocation and Development, Economic and Political", in Ralph Braibanti, (ed.) Political and Administrative Development, Duke University Press, 1969 p. 628.
- (23) Ibid. p. 629.
- (24) See Lester B. Pearson, op.cit. pp. 43-44.
- (25) Saul M. Katz, A Systems Approach to Development Administration, Papers in Comparative Public Administration, No. 6, Washington D.C., American Society for Public Administration, 1965.
- (26) Katz, op.cit.
- (27) Organizations have been conceived as having technical and environmental dimensions, see Phillip Selznik, Leadership in Administration: A Sociological Interpretation, Evanston, Ill., Rowe Peterson, 1959.
- (28) See L.S. Chandrakrant, Management Education and Training in India, Bombay, National Institute for Training in Industrial Engineering, 1969.
- (29) Phillip Selznik, Leadership in Administration: A Sociological Interpretations, Evanston, Ill., Rowe Peterson and Co., 1951 pp. 21-22.
- (30) Herbert A. Simon, Administrative Behaviour, New York, The MacMillan Co 1945 p. 17.

- (31) Frederick Harbison and Charles A. Myers, Management in the Industrial World, New York, MacGrawHill Book Co. 1959.
- (32) Chandraknant, op.cit.
- (33) Included here are organization builders, top administrators, middle and supervising management and trained technical and professional personnel. Harbison and Myers, op.cit. p. 117.
- (34) See P. Chattopadhyay, "Managerial Revolution in India", India Management, March, April, July 1969; and D.L. Mazumdar, Towards a Philosophy of the Modern Corporation, Asia Publishing Co., 1967.
- (35) Jan A. Ponsioen, National Development; A Sociological Contribution, The Hague, Mouton & Co., 1968 pp. 163-179.
- (36) R. Likert, The Human Organization, New York, McGrawHill, 1967; Cf. W.J. Reddin, Managerial Effectiveness, New York, McGrawHill Book Co. 1970.
- (37) United Nations, Administration of Development Programs and Projects: Some Major Issues, New York, 1971 (E 71. UU. H4).
- (38) Ibid. p. 28.
- (39) Ibid. p. 47.
- (40) See Vanoe Packard, The Status Seekers, New York, David McKay Co., 1959.
- (41) United Nations, Administration of Development Programs and Projects: Some Major Issues p. 49.
- (42) See Vincent Ostrom and Elinor Ostrom, "Public Choice: A Different Approach to the Study of Public Administration", Public Administration Review, March/April 1971, pp. 203-216.
- (43) See Robert E. Holt, "Comparative Politics, Comparative Administration" in Fred W. Riggs, (ed.), Frontiers of Development Administration, Durham, Duke University Press, 1970 pp. 305-325.
- (44) See also Robert E. Holt, and John E. Turner, The Political Basis of Analysis, (Princeton, New Jersey, 1966), Chapter 6.
- (45) See Holt, op.cit. p. 324.
- (46) Dwight Waldo, "Comparative Public Administration, Prologue, Problems and Promise", Comparative Administration Group, Papers in Comparative Public Administration, 1964.
- (47) See David Apter, "A Comparative Method for the Study of Politics", American Journal of Sociology, November 1958 pp. 221-37.

(48) See David Easton, The Political System: An Enquiry into the State of Political Science, New York, 1953, and Gabriel Almond, and James S. Coleman (eds.), The Politics of the Developing Areas, Princeton 1960.

(49) See John M. Culbertson, Economic Development: An Ecological Approach, New York, Alfred A. Knopf, 1971.

(50) United Nations, International Social Development Review No. 2 (E.70.IV.10), pp. 34-43.

(51) Ibid.

(52) Ibid. p. 41.

(53) D.L. Spencer, Technology Gap in Perspective, London, Spartan Books, 1970.

(54) Faqir Muhammad, "Use of Modern Management Approaches and Techniques in Public Administration", International Review of Administrative Sciences, Vol. XXXVII - No. 3 1971, pp. 187-200.

(55) For an example of some of the problems see Joseph M. Waldman, "Management Practices in Pakistan", M.S.U. Business Topics, Summer 1971.

(56) William D. Carmichael, "Challenges in Assisting in the Development of Management Education Abroad, in Stephen A. Zeff (ed.), Business Schools and the Challenge of International Business, Tulane University, 1971.

(57) See David Easton, A Framework for Political Analysis, Englewood Cliffs, New Jersey, Prentice-Hall, 1965 p. 15.

(58) The rapidly changing range of modern managerial methods is largely academic in nature and even in the most advance countries their value has not been tested. Note Faqir Muhammad, op.cit.

(59) See VEP Report, Attitudes and British Management, London, Penguin Books, 1965.

(60) Cf. Faqir Muhammad, op.cit.; and Robert F. Miller, "The New Science of Administration in the U.S.S.R.", Administrative Science Quarterly, Vol. 16 No. 3, 1971, pp. 247-257.

(61) See Yehézkel Dror, Public Policy Making Re-examined, San Franscisco, Chandler Publishing Company, 1968.