ORGANISING THE INDIAN GOVERNMENT

Where We Stand, and Could

RAJNISH KARKI

A recent news item in *The Times of India*—'Uttarakhand: Headmistress Hires Woman to Teach in Her Place for ₹10,000/month, Suspended'[1]—captures in many ways the current state of government organisation. The headmistress' salary is ₹70,000/month, far higher than that paid to school teachers in private schools, and there is a surfeit of such skill holders. Being seven times overpaid does not lead to any superior commitment or performance, individually or at the delivery unit level. Her Chamoli school has merely 12 students spread over five primary classes, as most children attend private schools, forsaking the free education, uniforms and mid-day meals of government schools.

Uttarakhand's case is not the only one. For instance, Nagaland estimated in 2016 that more than half its 22,000 teachers employ proxies by paying them 10–25 per cent of their own salaries. The overstaffing, on an equally astonishing scale of 3–5 times the appropriate teacher–student ratio, stands out as much. Such overstaffed schools and overpaid, poorly supervised teachers set a poor example for young pupils and society at large. The situation can be reckoned to prevail in other states and in healthcare, the police and similar delivery setups of the government.

The Indian government is an enormous organisation employing approximately 225 lakh individuals, with an estimated 35 lakh in the central government, 14 lakh in the armed forces, 15 lakh in public sector units and banks, 30 lakh in autonomous institutions, cooperatives and allied bodies, and 130 lakh in state governments. These salaried, full-time employees hold permanent appointments till retirement and are eligible for pension, medical

Autumn 2022, Volume 49, Number 2

and other benefits thereupon. In addition, approximately 150 lakh contractual employees—about two-thirds the number of permanent employees—are engaged on various terms. The sheer numbers are rivalled by the complexity of government organisation, in the vast variety of contexts and stakeholders, and interconnected layers, levels, processes and cultures at play.

An organisation is a living entity. Born or founded, it grows and matures, gains rigidity and flexibility, changes in big or small steps, is prone to inertia, flourishes and strengthens or weakens and declines, could multiply, die or get subsumed into some other. This evolutionary journey is unique to an organisation in its time and space. The 'context' in which it exists and functions, and its 'performance', as gauged by its stakeholders, imprints and defines an organisation's journey. There are great continuities going all the way to its founding, over decades and centuries even, just as the current government organisation owes some of its defining patterns to the Indian Civil Service (ICS) established in 1858.

In order to understand the government organisation, these defining patterns must be identified—in terms of the timing or 'when' a particular pattern emerges and the reasons therein, and 'why' with respect to prevailing social, economic and political contexts and to performance yardsticks of dominant and other stakeholders. And then tracking 'how' a new pattern changes and impinges upon other existing patterns for outlining the evolutionary dynamic of an organisation till the present. This could appear daunting, but organisational constructs generally evolve slowly and in distinctive phases.

These phases in the case of the government are: (i) the pre-Independence or colonial period; (ii) from Independence up to the 1980s; and (iii) the three decades thereafter till the present. The onset of the second phase marked a shift in the political context, while the third phase was characterised by an economic shift and consequent social changes. The stakeholders' side of government has broadly tracked these periods, such as the relative dominance of the ruling disposition vis-à-vis the public at large and their respective expectations. The act of training a long-range telescope on the past, with feet planted firmly in the present, tracking the evolution of the defining patterns in structure, the operating and

performance processes, and cultural attributes, is a fascinating and intense experience. This sets the stage for exploring the government's potential in the decades to come as well as that of the country.

EXOGENEITY, ENTITLEMENT FROM THE COLONIAL PERIOD

India's large, long-standing empires were well organised with a variety of ideas, constructs and procedures for their administration or government. The Mauryas constituted the largest Before Common Era (BCE) empire in the world. Chanakya's *Arthashastra*, which defined and detailed Mauryan administrative mechanisms, remains amongst the most comprehensive treatises on the subject. The Mughals governed an equally large and well-integrated empire for a century and half in the medieval period. Its structuring into *subas* headed by governors, the levels of office bearers and their upgradation and rotation policies, the forums and procedures for tax revenues and the judiciary were well institutionalised.

While some of these administrative mechanisms may have been influential, the antecedents of current government organisation clearly lie in the British period. It was a new and an exogenous construct. Since Indians played virtually no role in its formulation, the organisation was conceived and imposed in its entirety from the outside. The Government of India Act 1858 laid out the contours and procedures of British rule. The government in India was headed by a viceroy and governor general, as representative of the Crown and head of administration, respectively, who reported to the secretary of state, a member of the British cabinet.

At the next organisational level were governors, lieutenant governors and commissioners for directly ruled provinces. The viceroy interfaced directly with the large princely states, and through the Rajputana Agency, for instance, with the smaller ones. The Act would have meant some reallocation of existing British and local employees, but a key change was the introduction of the ICS. This new cadre of personnel, selected through a competitive examination and controlled by the secretary of state, was to man the core and higher echelons of government organisation. Gradually, British administration in India came to be defined by the ICS as the pivot around which almost everything functioned and which embodied encompassing cultural attributes.

Service in Britain's foremost colony attracted the best of Oxbridge graduates, who often sat out a year or two in preparation. They underwent approximately two years of training, organised in and around various London colleges, before taking up their first posting as assistant commissioner in India. A clear-cut chain of command and rigorous reporting linked them through the district commissioner, who supervised all the government activities and establishments in a district, to the commissioner, the governor and his provincial secretariat, and to the viceroy (Dewey, 1993). The ICS was a minuscule cadre of less than 1,000 officers. However, the salary was stupendous, rising from £300 at entry level in 1858 to £6,000 per annum (or £828,720 in present value) for governors, with a pension of £1,000 per annum. It was a thoroughly exogenous or foreign- dominated organisation—in 1917, 8,000 British personnel were paid 4.24 times the 130,000 Indians in government, or 70 times per capita.

Permitted entry into the ICS only from 1878, the proportion of Indians reached 5 per cent by 1905. An examination centre in India was added in 1922, but by that time its culture was well set. The founding motive was to rule a much larger and far-off colony, and to rule strongly, emphasised during training and early years in the districts. The ICS felt themselves entitled to rule, and to the accompanying social and economic privileges. The local populace or colonial natives were taken to be distant, inferior and, at best, in need of help. Accountability and social and emotional alignment were to the foreign and away (Karki, 2019). The splitting of the all-India services and the federal or central services in 1911, and the formation of provincial assemblies in 1937, had a peripheral effect on the domination and influence of ICS culture.

The organisational patterns of exogeneity and entitlement were transmitted throughout the width and depth of Indian governance. The armed forces were organised very similarly, with orientation tending towards the mercenary extreme whether operating in India or overseas, and in the raising, deployment and disbanding of units. The police, the judiciary, forest and all other government departments largely replicated the structure, processes and culture of the ICS, by virtue of serving directly under district, provincial or federal officials from the service. The government organisation remained a colonial construct till Independence.

OVERSTAFFING, DELINQUENCY FROM 1947–1990

These eventful decades saw India defining and establishing itself as a republic and parliamentary democracy. The government assumed overall responsibility as the primary instrument for social and economic development, and for realising the peoples' aspirations. There was a vast increase in the scale and scope of government organisation at the federal level as well as in the provinces or states. The departments for development work were set up at the district and lower levels; central services were expanded and new services created; education, research institutions and public enterprises in steel, power and other sectors were founded; and the armed forces saw rapid additions and modernisation, particularly after the early 1960s.

The ICS was renamed Indian Administrative Service (IAS) just before Independence through an executive order. Thereafter, the IAS and Indian Police Service (IPS) were regularised as all-India services in the Constitution, marking continuity and remaining the 'iron' frame of the government. By manning the bulk of senior positions in government, they were responsible for handling its increasing scale and scope. The only organisational model they knew, and were schooled in, was that of the ICS. It was also highly regarded by leading ministers and became the stated, or unstated, ideal after 1947.

The essence of the model was 'clear but rigid' hierarchical structure, 'rigorous reporting on a few parameters and adherence to laid down procedures', and the ICS being a small organisation administrating a huge territory 'depended on individual integrity, hard work, training and initiative' to suitably handle a range of often unforeseen situations. These were overlaid by exogeneity and entitlement as the defining cultural patterns, which fitted in well with the pre-Independence context and buttressed its efficacy. The expansion and replication of this organisational model was, however, a challenge.

To start with, only a third of ICS officers remained in India. There were major gaps, particularly at senior levels, and it could have taken more than a decade to be at par in accordance with laid-down recruitment, promotion and training procedures. Such measures were difficult to adhere to in post-Independence India and therefore the spurt in requirement led to substantial deviation. For instance, several direct appointments in the foreign service were based on recommendations, bypassing competitive examinations.

This arrangement percolated into other services, the new hydro and other projects being set up in the public sector, and the states. These recruitments often became fair game for elected representatives and officials trying to get their own people employed, particularly at the levels of Groups C and D.

In a decade or so, the drop, and variation, in capability at the time of recruitment, the infirmities in induction training, on-the-job guidance and, thereby, preparedness for promotions, crossed a tipping point towards inefficiency. By the late 1950s, the cases of corruption at higher echelons started coming to light, calling into question integrity at various levels. The ethos of sincere, hard work and of accountability took a beating as well. A bandwagon effect started setting in amongst various departments, aided considerably by the democratic context with a preponderance of influencers. Certainly, 'delinquency'—toward inefficiency and corruption—became a cultural pattern of the government organisation.

'Overstaffing' was another emergent pattern by the late 1960s. Its behavioural consequences—wasting time, lethargy, seeking devious gratification, and the loosening of control and accountability—became apparent in most departments. The staff strength of the central government was estimated at 17.37 lakh[2] in 1957, 29.82 lakh in 1971 and 37.87 lakh in 1984. The corresponding figure is unlikely to have been more than 4 lakh at the time of Independence, rising from the well-documented 1.3 lakh in 1917.

This manifold rise in employee strength in the first decade after 1947 could not have made for orderly expansion. Much of the earlier structures and processes were distorted or considerably weakened. As employee strength more than doubled in the subsequent two decades, delinquency and overstaffing became distinctive patterns of government organisation, superimposed on patterns of exogeneity and entitlement of the colonial period. Employee and organisational orientation continued to be distant, *sahib*, and being privileged and focused on its perquisites, instead of the expected close and direct identification with their compatriots post-Independence, and their needs and aspirations.

OVERPAID, OVER-SECURE FROM 1991 TO THE PRESENT

This period is characterised by dramatic change in the economic context of the government organisation. India, in a shift from its

approach in the decades after Independence, moved to de-control or liberalise its economy in response to market and global forces. The impact was sudden and many dimensional. Notably, the economy was finally propelled into a higher trajectory, sustaining an approximate annual growth rate of 6 per cent. The country was exposed to ideas, products and finance from overseas that set in motion a range of social changes. Expectations started becoming progressively aligned with global levels, and Indian enterprises and technocrats rose across the board to become comparable to, and competitive with, the best in the world.

The 6th Central Pay Commission was convened in October 2006, this time with a wider mandate to rationalise and modernise the government organisation. While the recommended rationalisation, based primarily on non-replacement of retirees, was gradual, the new pay-band system led to an upfront sharp rise in remuneration, particularly for the merged Groups C and D, such as school teachers and drivers, which comprise nearly 90 per cent of employee strength. The government further embellished pay and promotion terms, resulting in a highly 'overpaid' organisation. The 7th Pay Commission, formed in 2014, compounded the problem which finally snowballed into cases such as that of the aforesaid Uttarakhand headmistress.

The panchayati raj system at the village, block or tehsil, and district levels was introduced in 1992. Panchayats have been established across most of India, with largely regular elections and structures, and processes for meetings and documentation. However, they are grossly underperforming in terms of achievements or outcomes and costs or efficiencies, and are plagued by frequent reports of delinquent conduct of elected members and officials, singly or in collusion. The 2nd Administrative Reforms Commission,[3] while emphasising the suitability of panchayats for development programmes, cited the unwillingness of the district administration and the district magistrate in particular to cede power and space, and incessant interference and nit-picking as primary roadblocks.

This is a clear indication of 'over-secure' employees, in addition to that of other patterns in government organisation. It also underscores serious dysfunctionality—the government's district-level employees are thwarting its own programmes, corrective measures from higher official and political levels have not been

implemented for decades, and there is a deep disconnect with the fundamentals of government in a democratic polity. After all, the panchayati raj initiative is all about decentralising power and taking democracy closer to the people, the overall and final stakeholders.

Government employment is assumed to be nothing but permanent in nature. For an overwhelming majority in Group C, and to a degree in B and A, permanent employment in effect means finding entry by whatever means, foraging for extra benefits and incomes soon after, with the salary, work and security for life taken for granted. When supervision is weak and accountability loose, which is generally the case at most levels, a permanent employment-based organisation descends into slothfulness, wasteful inefficiency and, possibly, corruption.

Following the 6th and 7th Pay Commissions, a government job has become the most attractive proposition for youth. This is particularly so in villages and small towns, but now extends to large cities which once looked askance. As the government reaches wide and deep, it is setting a poor example with a perverse work ethic and path to high earnings. It is seriously dis-incentivising and de-motivating employees in the private sector, such as school teachers who work hard and sincerely, and micro and small entrepreneurs who take risks.

A sizeable category of contractual employees has been built in the last two decades. They generally range from 50–75 per cent at lower levels and a large proportion has served over a decade of rolling contracts. A salary jump from three to five times on becoming permanent being irresistible, they are seemingly forever in agitation, affecting work culture further. Their numbers are often so large that political representatives in Uttarakhand and Himachal Pradesh are taking up their cause. This is likely to cause an explosion in the government's size, in sharp contrast to developments in the design of large turn-of-century organisations. For instance, information technology (IT) has led to optimally decentralised structures and real-time performance management systems. Incidentally, Indian corporations are leading the curve globally in lean manufacturing, frugal and fast innovation, and remote services delivery.

'RESPONSIVE–ROOTED–WORLD-CLASS' ORGANISATION

The six patterns in India's government organisation are salient and hard to deny. They stand out singly, and together make a

compelling case for redesign or reconstruction. They are akin to the critical concerns or areas that need improvement, which, by being unattended are undermining the positive, and those parts and levels that function efficiently. Most of these patterns are cultural, with deep roots and continuity, and are ephemeral enough to escape definition and attention.

Interestingly, exogeneity and entitlement patterns, which go all the way to the founding construct of the 1850s, still hold sway and are definitive attributes of the government. This is not only at the top, but now percolate to the lowest organisational levels and farthest corners of the nation. The forces of isomorphism for continuity and compliance occur as much within the organisation as without, in the context that imposes established behaviour—a new employee is suitably, and irretrievably, schooled within a year.

India, the third-largest economy in purchasing power parity, and soon to be the most populous nation in the world, is regarded as an emerging global power. It will lead the world in areas such as IT, and aspire to be competitive and second to none in most others. Citizens of a democratic polity with access to widespread information cannot but be demanding of their government. A younger demographic in India over the next two decades is unsurprisingly aspirational—and impatient in seeking improvements toward the desired direction and level. Moreover, India is among the handful of civilisational states in the world with distinctive features, memories and an ethos evolved over millennia. It ought to draw on these to find its own bearings, unique strengths and trajectory, not mimic any other nation.

The need for, and the expectation from, the Indian government organisation is to be 'Responsive–Rooted–World-class'. Such an emerging construct is in dramatic contrast to the organisation that has evidently evolved from the six patterns. An entitled, over-secure government cannot be responsive to the people first and foremost, but tends to be self-concerned and exists for itself. A delinquent and overpaid organisation will lack capability by being deviant in orientation and direction, and wasteful of resources. In addition, an exogeneity-based and overstaffed government will continue to perceive itself as inferior to, and a follower of, the West, besides being inefficient and lethargic, instead of demonstrating the confidence to set the global standards that behove a nation the size of India.

The changes in economic, political and social contexts, and in performance expectations, apply pulls and pressures on the government organisation to adapt. These, as discerned from the three phases and especially after 1947, have been incremental and inadequate. Although the reports of the 6th Pay Commission and the two Administrative Reforms Committees attempted to address the problem, the measures taken were not holistic or cogent enough and only those suggestions that were easy and convenient were taken forward. This further propagated convention and the incremental patches that were added complicated the situation even further. It is indeed remarkable that the 1850s construct has survived the political shift of 1947 as well as the social changes and economic shifts of the subsequent seven decades.

The emerging construct needs a quantum shift in India's government organisation. This needs to be meticulously planned and taken up at a carefully chosen point in time, as an uncontrolled push at a vulnerable period—such as in Sri Lanka, in July 2022—could be damaging and counterproductive. The quantum shift, however, can be attempted in parts, starting with the organisational unit that most requires it, eventually extending to other parts and, thereafter, taking all the parts or entire organisation to the next stage or the emerging construct. India's armed forces, which are without doubt the most convention-bound, are currently seeing a quantum shift. They face a global power and have to match it wholly and in specific aspects of armed operations, as the consequences of a breach along some weak link could be disastrous. The urgency of the shift was underscored by the border standoff since the summer of 2020.

The Agniveer initiative is designed to demolish the over-secure pattern for over 95 per cent of combat manpower, overcoming deeply-set conventions within the organisation. This initiative can be extended to the officers, who already have a similar short-service commission format, and thereafter to non-combat, civilian employees. It also corrects to a degree or paves the way to re-align the over-staffing, overpaid and entitlement patterns. The introduction of theatre commands and the drive towards the indigenisation of defence production curbs the exogeneity pattern, which is particularly pronounced in the armed forces.

These measures could mark a quantum shift to the desired construct in this key part of the Indian government organisation,

perhaps initiating a similar shift for the rest. The need for parity of civilians in the armed forces could catalyse a shift for employees of the centre and state governments. An initial short-service engagement, followed by more than one 10–15-year-long appointment, could break the over-secure pattern in the civil services. The Railways, which too is facing urgent challenges, is also seeing some reorganisation in its higher echelons. A de-linking of the development function from the IAS is possibly another such initiative.

◆

NOTES

1. See *The Times of India*. 23 May 2021. https://timesofindia.indiatimes.com/city/dehradun/headmistress-hires-proxy-to-teach-in-uttarakhand/articleshow/91731504.cms.
2. Government of India. November 2015. 'Report of the 7th Central Pay Commission', p. 22. The Commission collated the sanctioned strength of various departments in the central government over the decades and it is the best available proxy for the trend in government employment and serves our purpose.
3. Government of India. May 2005. 'Report of the 2nd Administrative Reforms Commission', pp. 136–91.

REFERENCES

Dewey, Clive. 1993. *Anglo-Indian Attitudes: The Mind of the Indian Civil Service*. London: The Hambledon Press.

Karki, Rajnish. 2019. 'The Need to Re-design IAS'. http://www.karkiassociates.com/research/Article-The-Need-to-Re-Design-IAS.pdf.

◆◆

RAJNISH KARKI specialises in strategy and organisation design. He has advised business groups, multinational corporations, professional firms and institutions, government and allied entities at the centre and in Uttarakhand. His research contributions include the '3-phase' model of strategy formation, typology of viable strategic configurations, and the 'transformation and momentum' model of organisation change. The author of Competing with the Best: Strategic Management of Indian Companies in a Globalising Arena (Penguin: India-2008, Global-2009), Karki has held faculty appointments at IIM, Ahmedabad; IIT, Bombay; and LBSNAA, Mussoorie.