

**Human resource management practices in a postcolonial and post-9/11 climate:  
empirical evidence from Pakistan.**

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## **Abstract**

*This study examined characteristics and complexities surrounding human resources management (HRM) functioning in present-day Pakistan. The literature on the current state of HRM in Pakistan is limited and cross-cultural management research has also largely ignored the development of HRM in postcolonial economies. Current HRM practices and possible contradictions due to colonial legacies and contemporary ethical business policies are investigated. Owing to the multifaceted research problem, colonial and postcolonial employment legislation and key government documents were evaluated and supplemented by in-depth interviews. The findings suggest that discriminatory colonial legal-administrative frameworks that have a significant impact on HRM policies and practices are still present in modern-day Pakistan. The introduction of merit-based HRM and ethical governance would democratise organisations leading to a fairer and more ethically disposed society. The introduction of ethical HRM policies and practices would have on productivity in the workplace and social justice in the country.*

**Key words:** *Human resource management, discriminatory employment policies and practices, colonialism, postcolonialism, post-9/11, governance, Pakistan.*

## **Introduction**

The growing interest of academia in international human resource management (IHRM) and cross-culture research with Asian perspectives on people-management has created new debates in the field (Budhwar and Debrah, 2009; Zhu et al. 2007). A considerable number of studies appeared in recent past by emphasizing the need to examine historical, religious, cultural and ethnic perspectives on people-management in national context of developing countries for greater understanding of IHRM (Styhre, 2002). The literature on the current state of HRM in Pakistan is limited; cross-cultural management research has also largely ignored the development of HRM in similar postcolonial economies (Khilji, 2003). As a result, this paper investigates current HRM practices in a historical context by addressing discriminatory employment policies-colonial legacies that have disengaged and deprived ethnic and religious minorities in modern-day Pakistan.

Established as quasi-religion state in 1947, Pakistan inherited a number of British colonial legacies such as those vested in its legal frameworks, its power elites, and in its civil and military administrative structures, all of which have profoundly informed its national character and in turn, management practices in government organizations (Alavi, 1972, 1990; Khilji, 2002). In the years following its independence 1947, the civil-military elites have expropriated their means of power, dominated public sector enterprises (PSEs), and these changes, amongst others, have been central to the development of now prevailing HRM practices in PSEs and private (local) organizations (Alavi, 1972; Islam, 2004; Khilji, 2003).

Additionally, the United States' support of military regimes in Pakistan during the Cold War era and, more recently, its relationship with Pakistan in the post-9/11 climate has had far-reaching implications for its public institutions and enterprises. Especially, in post-9/11 era, Pakistan earned lot of attention of international donors and promised good governance and

transformation of government organizations (Cohen & Chollet, 2007). Pakistan has been a frontline state in the so-called 'global war on terror'; its status as such presents unique opportunities and threats to the business community, both at home and abroad. Given these characteristics to the Pakistani context, it is perhaps surprising that to date, very little empirical research contributed which addresses the distinctive development of HRM practices in this environment. Consequently, paper centrally attends to Pakistan's colonial history and the current contextual dynamism of the post-9/11 era to find out answers to research questions: (i) how far did the British colonial legacy i.e. civil-military and landed elites underpinned the transfer of colonial bureaucratic and hierarchical management practices in HRM practices in Pakistan and the promotion of single-ethnic group? (ii) how far did military regimes in Pakistan during Cold War era and in post-9/11 climate, under the United States' aid and support, achieved enlightened modernization and transformation of society and enterprises or emerged as and how do these affect national culture and HRM practices in the country?

Owing to the multifaceted research problem, colonial and postcolonial employment legislation and key government documents were evaluated and supplemented by in-depth interviews with top executives from government, private sector and multinational organisations. The findings suggest that discriminatory colonial legal-administrative frameworks that have a significant impact on HRM policies and practices are still present in modern-day Pakistan. The recruitment policy of the Regional Quota System in the civil service and what Yong (2005) describes as the 'doctrine of a martial race' for the military affords structural superiority and favour promotion for a single ethnic-group from the Punjab. This results in a hegemonic Punjabi civil-military elite class who dominate institutions; HRM decision-making is non-democratic with sifarish (quanxi/connection), nepotism, sycophancy

and corruption the norms in HRM practices (Alavi, 1972; Islam, 2004). Institutions are designed based on structural and hierarchical lines consequently inculcate partisan and bureaucratic authority (Cohen, 1989). This reinforces ethnic segmentation and social injustice, an ethical dilemma and tension that frustrated East Pakistan in 1970 (now Bangladesh) and continues in other provinces and federally administered regions. The introduction of merit based, targeted, recruitment, promotion and ethical governance would democratise organisations leading to a fairer and more ethically disposed society. The impact that the introduction of such ethical HRM practices would have on productivity in the workplace and social justice in Pakistan, and the resonance this would have on other postcolonial economies, is discussed later in the paper.

### **Background and theoretical review**

The potential factors that impinge upon national culture of Pakistan may include indigenous traditions, religious injunctions, amongst others British colonial past and current American influences are the central to the development of now HRM practices in the country (Kazi, 2003; Khilji, 2003). The following figure 1 conceptualises the trickle down effects of factors on national culture and subsequently on the functioning of HRM in the country. Because, the British Empire formally ruled the Indian subcontinent for over a hundred years with resultant unresolved political issues in many third world countries. This undermined the peace and stability of many postcolonial societies, including Pakistan, subsequently giving birth to nationalist and religious movements. Many postcolonial societies across Asia and Africa live with the by-products of colonial legacies: elitism and bureaucratic structures which the populace and institutions (Alavi, 1972, 1990; Kennedy, 1984; Waseem, 1997). Colonial masters chose hand-picked courtiers and subservient civil, military and landed elites to control the general public which was already divided on the basis of religion, ethnicity and

language (Kazi, 2003). Since then religious and ethno-national intolerance continue to plague the national culture of many post-colonial societies, including Pakistan.

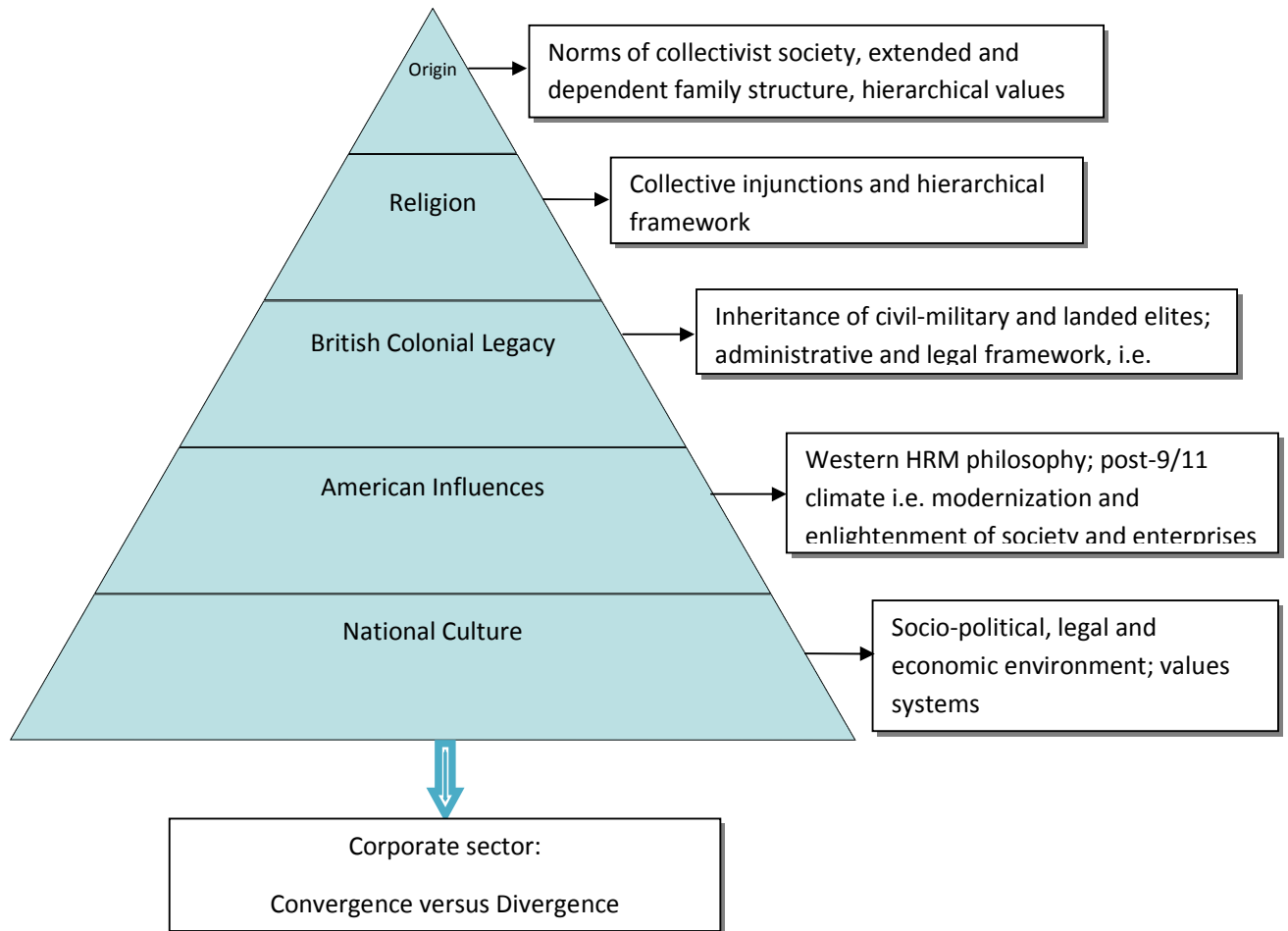


Figure 1 Conceptual framework

For example, the discriminatory colonial doctrines of ‘quota system’ and ‘martial race’ promote single-ethnic supremacy for those from the Punjab in civil-military services (Cohen 1989; Khan and Ahmed, 2008; Yong, 2005). Since then, a civil-military oligarchy controls many of the strategic management positions in public institutions that maintain colonial legal-administrative frameworks and promote a single-ethnic group which ultimately results in occupational segregation-an unethical dilemma in the ‘fair play’ of HRM (Jackson, 2002).

Infused with the high religious, ethnic, linguistic and geographical attitudes of elite management paved way for segmentation of society that also reflects at work settings and HRM practices. As a result, a culture of cronyism, nepotism, sycophancy and preferential treatment in HRM practices embedded in many government organizations in Pakistan (Islam, 2004; Jamil, 2005). Such culture in government and private sector organizations prevail in management practices and the concepts like affirmative action policies and organizational justice are alien (Kazi, 2003; Khilji, 2003; Waseem, 1997). Traits of sycophancy, flattery and pleasing the boss are passed on between generations. These traits also persist in the workplace in public and private sector enterprises and widely affect HRM policies and practices (Hussain, 1999). Success in such cultures is largely achieved through *sifarish*, sycophancy, intrigue, duplicity and total obedience to authority/boss (Islam, 2004; Kazi, 2003; Siddiqui, 2005).

On the other hand the history of US-Pakistan relations is characterised by episodes of tensions, anxieties and relief. However, US patronage to the military regimes in Pakistan, especially during the Soviet- Afghan War and in the post-9/11 climate witnessed pouring in of billions of dollars by undaunted US support (Cohen and Chollet, 2008). The then Pakistani president General Musharaf, attracted Western allies through involvement in the global 'war on terror', through promises of bringing about the enlightened moderation of the society and transformation of enterprises, especially good governance. However in reality, military regimes appointed large number of military cronies in lucrative government organisation at top level management positions (Abbasi, 2008). Additionally, the United States influences in Pakistani society, entrepreneurship and academic institutions are deep rooted. Hussain and Hussain (1993) study alleged that United States has been playing significant part in formulation of economic and foreign policies of Pakistan. This seems true in the post-9/11

era and especially in the current situation where Pakistan army is engaged in tribal areas. Khilji (2003) appears to argue that Pakistan has been under the cultural, academic and corporate influences of United States. Furthermore, the massive rise of MNCs, FDI, and joint-venture opportunities in emerging markets of developing countries, highly lucrative in terms of economic profit attracted MNCs to enter in the arena of developing nations. However, globalizing markets in African and Asian nations challenged the general application of Western HRM which rigorously demanded to comprehend the national culture (Budhwar and Debrah, 2001).

### **Methodology**

The key colonial and postcolonial legislation and employment policies of federal government were evaluated in first phase. In-depth interviews were conducted with thirty 'core-informants' from government, private sector and multinational organisations, in second phase. Face to face interviews focused on employment policies and their implications for current functioning of HRM in Pakistan. Denzin and Lincoln (2000) suggest that cultural studies research is historical, self-reflective, critical and interdisciplinary should take into account religion, politics, and economic dynamism and every day discourses and it is these aspects that were drawn upon.

### **Data analysis**

#### **Phase I: Secondary data analysis**

This study evaluated the colonial and postcolonial discriminatory employment laws that impinge upon HRM systems in Pakistan. The previous section identified that the British colonial masters, in order to 'divide and rule', deliberately institutionalizing legal frameworks

which gave ethnic and racial preferences to some classes of society, especially Indian civil-military services. These groups were also allocated agriculture land thereby creating landed elite. Historically, the evidences of the ‘quota system’ in civil services and doctrine of the ‘martial race’ in military services offered structural superiority and maintained the hegemony of a single ethnic-group which continues to operate in present-day Pakistan (MacMunn, 1933; Mushtaq, 2009; Yong, 2005). The examination of colonial and postcolonial documentary evidence from secondary data sources helps to confirm the discriminatory employment laws which continue to be effective until now comprises part of the study also. This secondary data analysis aims firstly to provide a list of the British colonial and postcolonial employment laws. Secondly, the aim is to identify the implications of the main findings for the context within which HRM practices evolved in the country and for the cross-cultural management and international HRM in postcolonial societies.

There are a number of colonial laws which have exerted an influence on Pakistani organisational practices, values and culture. The evidence is gathered from following colonial laws: The Government of India Act, 1858, the Colonisation of Land Act, 1912, the Government of India Act, 1915, Indian Civil Service Bill 1915, the Government of India Act, 1919, the Government of India (Civil Services) Act 1925, the Factories Act 1934 and the Government of India Act, 1935. The British rulers introduced the open competitive examination and recruitment on the basis of merit to Indian Civil Service (ICS) by the Charter Act of 1853. In order to redress grievances of Muslims against the Hindu majority, the “Muddiman pledge” reserved ‘some places’ for Muslims in the ICS<sup>1</sup>. Most of the Muslim civil servants of British India migrated to Pakistan and managed key positions of state administration in the initial years (Khan and Ahmed, 2008). The Indian Council Act of 1909

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<sup>1</sup> Muddiman pledge refers to an undertaking given by Sir Alexander Muddiman, in the Council of State in 1925.

made provisions for reservations in legislatures and civil services on a communal basis. The Government of India Act, 1919 and the Government of India Act, 1935 reaffirmed this principle. The quota for minorities was formally introduced on July 14, 1934 on the basis of an executive order (Samujh, 2005).

The postcolonial Pakistan inheritance of discriminatory employment laws comprise, the Constitution of Pakistan 1956, the Constitution of Pakistan 1962, the Constitution of Islamic Republic of Pakistan 1973, Civil Servants Act 1973, Civil Establishment Code, (ESTACODE), the Federal Public Service Commission (Composition and Condition of Service) Regulations, 1978 and the Federal Public Service Commission (Functions) Rules, 1978, Rules for Competitive Examination, 2009. Pakistan’s civil bureaucracy has its origins in the Indian Civil Service (ICS), often described as the “steel frame” that enabled the British to rule their large and unwieldy Indian empire. The quota system in Pakistan was introduced on the basis of the Government of India Act, 1935. The Article 17 of the first Constitution of Pakistan 1956 ensured that the quota system to remain effective for 15 years: later similar constitutional provision was made in the 1962 constitution. In September 1948, long before a constitution was adopted in Pakistan, a regional quota system was introduced; following table portrays regional proportions of regional quotas.

Table 1: Regional Quota System in Central Government in Pakistan (September 1948)

<b>Region/Province</b>	<b>Quota (in %)</b>	<b>Percentage of regional population in total population</b>
East Pakistan (Bengal)	42	56.75
Punjab	24	28
Karachi	2	1.5
All other provinces and princely states of West Pakistan	17	13.75
Potential migrants from India	15	00

Source: Waseem, 1997

The leading elements of the quota system in table 1 suggest that there was no quota for merit. All appointments aimed to be filled through regional quotas. The second element, underrepresentation of the Sindh, NWFP and also East Pakistan regions, considered by those from these regions as inequitable and biased (Khan and Ahmed, 2008). Lastly, a 15 percent quota was especially set apart to attract migration at large scale from India to Pakistan. As a result millions of people migrated to urban parts of Sindh which as a consequence structurally changed the ethnic and demographic balance of indigenous people-of Sindh especially in Karachi (Kennedy 1991). The 1948 quota system went through an unsympathetic criticism which forced government to revise the quota system principles, thus the Government of Pakistan in November 1949 introduced new quota system (table 2).

Table 2: Regional Quota System in Central Government in Pakistan (November 1949)

Category	Quota (in %)
Merit	20
East Pakistan (Bengal)	40
Punjab (including Bhawalpur)	23
Karachi	2
All other provinces and princely states	15

Source: Waseem, 1997

The information in table 2 how the revised quota policy had 20 percent reserved for merit and abolished the quota for potential migrants. However, East Pakistan still found the revised system, with a 40 per cent quota unjust: the quota was then enhanced to 50 per cent in 1967. Additionally, the minor provinces and regions of West Pakistan had no significant representation. The region-based quota system in Pakistan has failed to protect the minor ethnic groups in particular, especially underprivileged local candidates (Waseem, 1997; Khan and Ahmed, 2008). The tables above further suggest that in many cases, the Punjab and migrant community i.e. Muhajirs from India benefitted disproportionately from the regional

quota than indigenous people. For example, among the successful candidates of the 1950 examination of the Central Superior Services, there were 14 migrants from India as opposed to 16 locals in East Bengal. Similarly, there were 2 migrants and 2 locals in the NWFP, 5 migrants and 1 local in Sind, and 6 migrants and no local in Karachi (Waseem, 1997). The table 3 depicts Punjabi/Muhajir governmentality: a historical phenomenon retained in postcolonial era by outnumbering other ethnic origins (Alavi, 1972, 1990; Yong, 2005).

Table 3: Ethnic origins of the top civil bureaucrats

<b>Ethnic origin</b>	<b>Number</b>	<b>Percentage</b>
Punjabis	1727	48.89
Pashtoons	287	8.12
Muhajirs	1070	30.29
Sindhi	90	2.5
Balouch	9	0.25
Others	349	9.95
Total	3532	100

Source: 4<sup>th</sup> Triennial Census of Central Government Employees, Islamabad, GOP, 1973.

### ***The framework of civil services-an example of single-ethnic dominance***

Under Article 240 of the Constitution of Islamic Republic of Pakistan of 1973, civil service appointments and their terms and conditions are regulated by an act of parliament: Civil Servants Act of 1973. The Civil Establishment Code (ESTACODE) especially, a vast compendium of laws, operating procedures, and rules and regulations, governs every aspect of the civil service. There are several ways of recruiting to Pakistan's federal bureaucracy; however, we focus on main two sources of induction that offer structural advantages to the Punjab. Candidates can enter the bureaucracy through the Central Superior Services (CSS) examination, an annual nationwide competition conducted by the FPSC. Successful

candidates are assigned to their respective occupational groups based on a combination of their overall position and regional/provincial quotas calculated on the basis of population. While 7.5 per cent of the positions in each examination are decided on merit regardless of regional or provincial affiliations, 50 per cent of the remainder are allocated to Punjab, 19 per cent to Sindh (of which urban Sindh gets 40 per cent and rural Sindh gets 60 per cent), 11.5 per cent to NWFP, 6 per cent to Balochistan, 4 per cent to FATA and Gilgit-Baltistan and 2 per cent to Azad Jammu and Kashmir. Since 2007 a 10 per cent quota has been allocated to women from the share of each of the provinces and regions<sup>2</sup>. Since the Zia regime in the 1980s, there has been an annual 10 per cent induction of military officers, generally at the rank of captain and equivalent ranks from the navy and air force.

Arguably, the quota system to federal civil services has maintained structural superiority of the single-ethnic group from Punjab after dismemberment of East Pakistan for example 50 percent regional 10 per cent through military quota to civil service. Since military services (i.e. army, navy and air force) retain over 70 percent majority from Punjab, they have a strong chance of being recruited to the civil services. As a result, ethnic Punjabis occupy 70 per cent and 60 per cent in military and civil services respectively, which exclusively helps them to govern the nation and what Cohen (1989) suggests “governing” pendulum always swings in favour of civil bureaucracy in Pakistan. After the loss of East Pakistan, the domination of the Punjabi and Muhajir ruling mentality i.e. governmentality suggested by MacMann in the colonial era (1933) prevailed for long. Prime Minister Bhutto's nationalization programmes of 1970s served as a catalyst for the continued expansion of the quota system. Between 1972 and 1975, Bhutto nationalized numerous industries (banking, insurance, heavy machinery, natural resource extraction, rice, cotton, textiles, cement, automobiles, etc.). As a

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<sup>2</sup> The FPSC Rules for Competitive Examination 2009.

consequence, such industries, formerly in the private sector, became subject to the terms and conditions of federal employment so that recruitment to autonomous and semiautonomous corporations (188 such institutions existed in 1981) and came under the quota system (Kennedy, 1984).

To summarize, the evidence from secondary sources identified that the presence of civil-military and landed oligarchies, dominated by single-ethnic Punjabis at the top level management controlling decision making, affects HRM practices in public and private sector organizations. It is also revealed in the analysis that ‘*sifarish culture*’, sycophancy, cronyism, and corruption affects ‘federal quota system’, HRM practices including affirmative action policies, merit and organizational justice. The current spate of violence and terrorist attacks in Punjab are attributed to long social injustice and social alienation of tribal agencies in Pakistan. Alavi (1972, 1990) maintains that civil-military and landed elites emerged as neo-colonialist bourgeoisies equipped with state power and dominating government institutions in postcolonial Pakistan. In the recent past, the military regime of General Musharaf and its rhetorics of bringing about ‘enlightened modernization, good governance and transformation of state enterprises’ earned him US and Western allies’ indelible support and financial aid of over \$10 US billion (Cohen and Chollet 2007). The military regimes in Pakistan with United States’ patronage especially during Soviet-Afghan War (1979-1989) and in post-9/11 climate profoundly informed national character and management practices (Wilke 2001).

### ***Ethnic composition of Pakistan military services***

The military is one of the largest organisations in Pakistan. The total number of servicemen comprising over 650,000 of which 550,000 Army personnel, The Pakistan Air Force (PAF) consists of 45,000 and the Pakistan Navy (PN) 25,000. Interestingly, table 4 below shows that the majority of military personnel i.e. 75 per cent come from the single province of Punjab.

The Pakistan military is ethnic homogenous with recruitment policies placing those from Sindh, and Baluchistan at a disadvantage (Yong 2005). Approximately 75 per cent of the army is recruited from three districts of Punjab: the area is known as ‘Salt Range’ (Cohen, 2004). Another 20 per cent represent three to four districts of North West Frontier Province (NWFP). The other two provinces get 5 per cent of personnel. Siddiqua (2007) argues that the ethnic composition is deliberate and plays an important role in national politics.

Table 4: Ethnic make-up in Pakistan military

<b>Ethnic Group</b>	<b>Province</b>	<b>Percentage</b>
Punjabi	Punjab	70
Pashtoon	NWFP	20
Muhajirs	Sindh	5
Sindhi	Sindh	3 (approx.)
Balouchi	Baluchistan	2 (approx.)
Total		100

Source: Siddiqua 2007

***Pakistan military: as landed elite class***

In 1890s the British Empire opened “canal colonies” and initiated a process of “land allocation” to win the “loyalty” of the soldiering classes aiming to depoliticize them. Coincidentally, the landed-feudal class consisted of ex-soldiers, pensioners and relatives of in-service army personnel thereby created strong landed-feudal class. The government of Pakistan, in early years of independence, adopted the colonial tradition of granting land to military personnel by amending Colonisation of Land Act, 1912, in 1965 to allot land (approx. 100000 acres annually) to military officers (Siddiqua, 2007).

Table 5: Land entitlement for military personnel

Serial No.	Rank	Acreage
1	Maj. General and above	240 acres
2	Brigadiers and Colonels	150 acres
3	Lt. Colonels	124 acres
4	Lieutenants to Majors	100 acres
5	JCOs	64 acres
6	NCOs	32 acres

Data source: Siddiqua 2007

Table 5 describes the entitlement of land including agriculture, commercial and residential against the rank of military officers. The land is usually allotted to the military officers at the time of retirement. Table 6 indicates the land holdings across the country by the military officers since the Act amended in 1965. Large amount of land holdings by the retired military officers' led them emerge as feudal elites along side of the existed landed elites in postcolonial Pakistan.

Table 6: Land allotments to military personnel, 1965-2004

Serial No.	District	Province	Acreage
1	DI Khan	NWFP	185000
2	Muzaffargarh	Punjab	173000.7
3	DG Khan	Punjab	153000.5
4	Rajanpur	Punjab	133000.3
5	Vehari	Punjab	170987
6	Pakpattan	Punjab	193676
7	Multan	Punjab	123793
8	Khanewal	Punjab	143283
9	Sahiwal	Punjab	173407

10	Lahore	Punjab	273413
11	Kasur	Punjab	387283
12	Sheikhupura	Punjab	193863
13	Sub-Total		2303706.5
14	Sindh Province		400000
15	<b>Total</b>		<b>2703706.5</b>

Source: Siddiqua 2007

***Pakistan military: as business conglomerate***

Besides the military, there is a long history of direct rule, and tense relations with neighbouring India and Afghanistan. This is highlighted by three full-scale wars with India in 1948, 1965 and in 1971. Pakistan relations with the United States warmed during Soviet invasion of Afghanistan in 1979, and is now especially in its role as a as frontline state in ‘global war on terrorism’. As the Pakistan military are deep rooted in bureaucracy, politics, state power, they have now emerged not only as ruling and corporate class but pervasively infiltrate in public enterprises to head civilian jobs. Traditionally, all military regimes in Pakistan bypass employment laws and appoint serving and retired officers to government organisations. As a result, they sow the seeds of cronyism, *sifarish* (i.e. connection), sycophancy, favouritism, and promotion of discriminatory employment practices that contravene HRM policies and practices.

The military as corporate class have established business empires in Pakistan that extends from gas stations to cement and fertilizer factories. They run education institutions i.e. schools, colleges and universities which offer primary to tertiary education. They build roads, bridges, run housing schemes and manage airline business (Siddiqua 2007). In the name of patriotism, external threats and welfare of retired armed personnel; The Pakistan military has penetrated deep into the state, directly responsible for 70% of annual budget, own huge

network of commercial organizations and many *charitable foundations*. The lack of openness regarding appointments has, it has been argued, led to widespread corruption, unaccountability and research made difficult in the name of the sensitive activities of armed forces (Siddiqua-Agha, 2003). Brig (Rtd.) Syed Mujtaba, Secretary to CBOD, Fauji (*army*) Foundation proclaims that foundation is working independent of any government intervention for the welfare of retired armed forces.<sup>3</sup> In fact, Fauji Foundation, Pakistan's largest conglomerate supports all of the approximately 8.5 million ex-servicemen and dependents of the military (Mani 2007).

Military's investments in the Pakistan private sector have traditionally focused on the primary sector, with projects in oil, gas, and agriculture, but in recent years has moved also into the high technology sectors, such as software manufacturing. Army, navy, and air force foundations have strongly invested in service sectors such as real estate, insurance, media, shipping, private security, and banking. For example, the most prominent holding of the army foundation, the Army Welfare Trust (AWT), is Askari Commercial Bank, with net assets of approximately US\$100.7 million. While AWT owns only 5 percent of the bank, it effectively controls Askari through the chairman and board of directors through military officers.

Some of the foundations' businesses have become so powerful that they dominate their industry and are able to marginalize competitors. Military-owned corporations have successfully participated in the state's privatization program, buying up public corporations through competitive price bidding. However, military officers themselves readily acknowledge that the armed forces' companies are able to gain an advantage over purely

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<sup>3</sup> Newslines, interviewed Brig (r) Syed Mujtaba, Secretary to CBOD, Fauji Foundation, 2006. <http://www.newslines.com.pk/NewsDec2006/cover2dec2006.htm>

civilian firms in the allocation of government contracts, and in some cases this practice has pushed civilian firms into bankruptcy. Still, not all foundation holdings are successful, and some have required bailouts by profitable foundation businesses and the government (Kaleem, 2002). Apart from fighting in battlefield and safeguarding the national borders Pakistan military performs multiple roles including building roads, catching electricity thieves, and running large network of commercial enterprises and weeding out corruption from the country. The Fauji Foundation (FF), Army Welfare Trust (AWT), Shaheen Foundation (SF) and Bahria Foundation (BF) are the largest business conglomerates managed by military in the country. The businesses are diverse in nature ranging from smaller-scale enterprises such as bakeries, farms, schools, universities, private security firms to commercial banks, insurance companies, fertilizer, cement and cereal manufacturing plants. Some eight million retired, serving military officers and their family members are absorbed in military-owned enterprises (Jalal, 1990).

Military corporatism in Pakistan is not new but has long deep rooted history. In the name of welfare and foundation for retired servicemen they have established a ten billion pound business empire which consists a network of organizations (Farouqui & Schofield, 2002). Pakistan military's involvement in economic ventures is directly proportional to their sense of judgment regarding political control of the state. Since political power nurtures greater financial control thus military thoughtfully perpetuates their pervasive existence in political spheres to safeguard their vested economic interests (Siddiqua, 2007).

### ***Militarisation of state and enterprises in post-9/11 period***

The terror attacks of 9/11 are believed to have changed the world completely. It brought the Bush administration in Washington closer to Moscow, EU, Beijing and Islamabad. US-EU duly recognized the geo-strategic position of Pakistan in peace-building operations and as

vital partner in the global 'war on terror'. In the post-9/11 climate, the US government has played key role in providing generous funding for strengthening economic, social, political, institutional and educational conditions in Pakistan (Rafique, 2004). Public sector reforms were also give high priority to keep the civil services on the right path and more responsive to people. The 9/11 Commission report said: "it is widely believed that Pakistan is a country with large number of people living below poverty line, endemic corruption, poor-governance invite large number of poor people to join religious schools where they seek refuge and involve in violence and extremism". The military regime of general Musharaf made promises after promises with US and international donor agencies for bringing about the 'enlightened moderation and transformations' of society, governance and management practices. Surprisingly, in attempt to reform government institutions and governance, a large number of men in uniform infiltrated in government sector organisations (Abbasi 2008). The English newspaper "Daily Dawn" in Pakistan reported that some 1027 military officers have been deployed at the key decision-making positions in lucrative public sector enterprises.<sup>4</sup>

Apart from huge business network, the Pakistan military enjoys top management positions and exercise of powers of HRM in the organizations they head. Since Gen. Musharaf's military regime hundreds of serving and retired military officers have infiltrated in public sector enterprises (Abbasi, 2008). The military cronies of the soldier-president were appointed as army monitoring teams to supervise civil administration at all levels – from the sub-division and district to federal and provincial departments (Abbasi, 2008). The appointment of 3,500 serving and retired military personnel to these monitoring teams, ostensibly in the name of reducing corruption, increasing accountability and monitoring governance, instead led to a blatant abuse of authority (ICG report, 2010). Military officials were also appointed to key civilian posts, including the chairmanship of the Federal Public

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<sup>4</sup> Daily Dawn, October 03, 2003. Accessed on 12-08-2007, Available at [www.dawn.com](http://www.dawn.com)

Service Commission (FPSC), which is responsible for recruitment of the federal bureaucracy. Military officers, some serving but mostly retired, were appointed heads of a large number of civilian organisations.

### **Interim conclusion from secondary data**

Since the independence civil-military and landed oligarchy what Alavi (1972) calls a metropolitan bourgeoisies made intentional attempts to involve in state-formation controlling institutional power bases. These organisations are replicas of old-fashioned colonial hierarchical and bureaucratic structure.

Discriminatory employment laws deprived people of their equal employment opportunity as a result ethno-religious marginalization further worsened the already fragmented postcolonial society of Pakistan. Realising the needs to reform HRM systems especially in government sector organisations, the military regimes of general Musharaf in Pakistan under US patronage made promises of bringing about ‘enlightened moderation and transformations’ of society and enterprises. However, the pervasive presence of military in civil bureaucracy, politics, private business and government sector enterprises influence management practices especially HRM functioning. Through the evaluation of secondary data source, it is identified that civil-military and landed elites inherited colonial legal-administrative frameworks such as bureaucratic, hierarchical, top-down communications, sifarish (i.e. connection), sycophancy (i.e. courtiership), cronyism, corruption as norms of the management practices. As a result, management practices in government and private sector organisations are structured on colonial lines which set challenge to modern HRM theory, cross-cultural and international HRM. In following section, deliberate attempt is made to confirm whether aforementioned findings do prevail at workplace, as a result, large number of in-depth

interviews were conducted with top executives and collective bargaining agents to dig into deep.

## **Phase II: Results and discussion of qualitative data**

Data collected through in-depth interviews with thirty 'core informants' from government, private (local) and multinational organisations. A careful attention was paid to have sample (interviewees) from different age group, educational background, career track and ethnic group hailing from different levels of management including union activists. The demographic information further revealed that nineteen participants were from central and northern Punjab, five from Karachi, two from NWFP, and four belong to Sindh excluding Karachi city. Amongst the participants, three were retired military officers who currently hold HRM office, all from Punjab and four top retired civil servants, serving at the top management positions in government and private organisations. All interviews were conducted face to face and taped with prior consent of respondents. The length of interviews ranges between 50 to 90 minutes on average at the discretion of respondents. The longest interview with general manager HRM in a government corporation continued for 120 minutes and the shortest interview with Sr. HR business partner in a MNC lasted for 25 minutes. All interviews were transcribed, coded and analysed (Kvale, 2007).

### ***Major findings from qualitative data***

The participants were extensively probed on implications of colonial and postcolonial employment policies on current state of HRM systems across government, private and multinational organisations. The post-9/11 promises of General Musharaf to Western allies of bringing about enlightened moderation in society and transformation of enterprises and good governance were also major area of quizzing from core-informants. Key findings which

emerged from the qualitative data include national culture as amalgam of influences from British colonial legacy i.e. civil-military and feudal elites, United States, and religion. Organizational structures seem to be bureaucratic and hierarchical with higher power distance and collectivist orientation. *Sifarish* i.e. *guanxi* is widely prevalent in government organizations whereas private and MNCs seem little bit better. Sycophancy, cronyism, nepotism and lack of affirmative action policies are common in all organizational settings including government, private and MNCs. However, MNCs positions appeared much stronger in effecting Western HRM policies and practices with some convergence and divergence of national culture.

### ***HRM and national culture***

Empirical evidence suggests that HRM has not been put in place to play central role. HRM, personnel or administration department in government organizations seems weak whereas private local (*Seth* i.e. proprietor) enterprises have started realizing its importance and have been passing through an evolutionary phase. Pakistani managers in terms of decision making seem centralized and HRM is playing role of post office. High power distance and paternalism exist in government and private (local) organizations. Rhetorics in policies do not match reality in practice in the workplace (Ayman et al 2000; Khilji 2003). Weak HRM or personnel departments in government and private (local) at workplace make employees helpless to challenge authority thereby creating highly bureaucratic and hierarchical organization, and a vicious circle (Khilji 2003). This, consequently, encourages *sifarish* culture where courtiers and cronies gain (Islam 2005). In the presence of ineffective people management and absence of employee involvement and participation, a very strong and in some cases violent employee union activism existed in the past. Consequently the military regimes of General Musharraf banned trade unions in his early rule. In contrast, MNCs in

Pakistan imported Western-HRM policies and practices where HR manager plays significant role in decision making and parent company influences stronger. As a result, western HRM policies and practices in MNCs with minimum national cultural influence are the success story in Pakistan (Khilji 2003, 2004).

### ***Postcolonial elements in culture***

Empirical evidence supports the proposition that pleasing the boss, cronyism, and corruption has been postcolonial phenomenon which continues until now (Siddiqui 2003). A general manager HRM in a large government organisation says: *“colonial elements such quota system, bureaucratic, hierarchical structure of organisation with reflections of nepotism, sifarish, sycophancy and yes boss are the key elements of our organisation”*. Empirical evidence reveals that affirmative action policies, merit and organizational justice in government organizations are alien concepts. These findings are in consistent that of secondary data results and also are consistent with Khilji (2003) and Islam (2004). Moreover, these cultural factors appear to be major obstacles in the development of more equitable HRM policies and practices in government and private (local) organizations in Pakistan. In words of general manager organizational development (OD): *“Sifarish i.e. guanxi plays major role in recruitment and selection and appraisal and promotions in government and private sector enterprises”*. Similar expression from a director HRM in multinational company suggests *“sifarish is a cultural tradition and one has to be brave enough to adjust it”*. The stronger the connection, the more are the chances of success. National culture bears influences of collectivism, hierarchical and high power distance orientations on government and private sector enterprises to large extent and in MNCs to some extent. Civil-military and landed elites with imperialist mindsets dominate decision making in government

organizations: as if a viceroyalty system that is not responsive to public needs (Alavi 1990; Yong 2005).

### ***Post-9/11 climate***

The United States support to military regimes in Pakistan, especially during Cold War and currently in post-9/11 climate, has strengthened the military grip over state power and helped the military further infiltrate in thousands to head civilian jobs in the public sector (Wilke 2001). A retired major from Pakistan Army who heads Personnel Management, Finance and Advertising departments at the same time says: *“I know my people, I have twenty years of army experience, I effectively manage, HR, Finance and all I have”*. Another in service high rank military officer who head the large government corporation said: *“well, men in uniform are more competent, disciplined and above all patriot than any civilian, we do far better than them. Yes, large number of men in uniform head various organisations in current military regime, but see the progress which is astonishing. What we do no one can”*. Additionally, men in uniform head government corporations and tend to be ineffective HR heads regarding rooting out corruption (Siddiqua 2007; Wilke 2006). Men in uniform heading government corporations bear far-reaching implications for HRM functioning in organization (Wilke 2001, 2002). By and large, there appear convergence and divergence between public and private sector management models (Khilji 2002). Private sector (local) seem inclined to Western management models whereas public sector headed by civil-military or landed elites seem unwilling to adapt modern management models. However, MNCs seem far better than government and private organizations in terms HRM functioning.

### **Interim conclusions of qualitative data**

The empirical evidence examined characteristics and complexities surrounding national culture and HRM practices in present-day Pakistan. This investigation finds that organizational structure of government and private (local) companies is hierarchical and bureaucratic, elitist and imperialist mindset exist in higher authorities with centralized decision making sparing little role for HRM department. Public sector enterprises suffer from 'sifarish' i.e. guanxi, sycophancy, cronyism and corruption whereas private companies stand better than government corporations. Affirmative action policies, organizational justice and merit are rhetorics in public and private sector, not reality. MNCs look advanced in implementation of new HRM policies and practices through parent company influences and they seem much better in practising affirmative action policies, organizational justice and merit.

### **Overall discussion and future implications**

Pakistan celebrated its 60<sup>th</sup> anniversary in 2007 under the military regime of soldier-president Gen. Musharaf-one time darling of West (especially US and UK). The postcolonial metropole bourgeoisies i.e. civil-military and landed elites since independence in 1947 have expropriated means of power and still continue colonial structure of administration in government departments and corporations (Alavi 1972; Mushtaq 2009). People management practices are structured as colonial artefacts. National culture in terms of the postcolonial picture of Pakistan depicts several colours where colonial (British) and United States' strokes of influences are deep and strong. It has implication for business communities at home and abroad. For example, if you happen to deal with national (government) organizations for joint ventures or FDI opportunities you will see cultural factors influencing decision making which are grounded in colonial customs of political, legal and administrative frameworks where civil-military and landed elites appear more bureaucratic and hierarchical. Future research

should be based on international partnerships and working in close association with MNCs in the country to learn from their experiences, models, processes and success stories. Marketing, finance and IT/Computing have earned much focus and investment in past decades by ignoring the field of HRM which needs substantial concentration of authorities in Pakistan especially in government organizations.

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