

union activities. They prefer to interact directly with the management rather than through the unions.

It is evident from the study that the industrial relationship in engineering industries in Ahmedabad-Baroda region is characterised by an informal system where both managements and workers are keen in mutual problem solving. By and large, a personalized approach of management and need-based response by workers are exhibited. In this context, unions seem to have a rather limited role to play. Such a situation is largely explained by the size of the engineering units of the region where unions have not yet found interest and support. There is some dissatisfaction among workers on specific issues, there is also management's reluctance to accept the need for trade unionism. It is, however, necessary to note that apart from small size, another significant factor is the regional influence. The Ahmedabad-Baroda region has not been traditionally a strike-prone area. It may, therefore, be concluded that the regional influence is no less important than employee size in shaping industrial relations situation.

The study concludes that there is a congruence of viewpoints between managers and workers. This poses both a challenge and an opportunity to improve industrial relations in engineering industries.

This book will be found useful by the managers and trade unionists in the engineering industries. The students of industrial relations will also find this book interesting.

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Public Enterprises : Policy, Performance and Professionalisation, P. K. Basu, Allied Publishers, New Delhi, 1982, pp. i—xv and pp. 1—99, Rs. 40.00.

Sri Basu's book consists of two analytically stimulating essays — one bearing on the theme which constitutes the title of this volume, and the other on Education and Training for Public Enterprise Administrators. They flow from the pen of a seasoned Public Administrator-cum-Public Enterprise Administrator, and therefore offer penetrating insights to the reader.

It appears that the major thesis of the first essay is that public enterprise 'Performance' criteria should *precede* the formulation of public enterprise 'Policy' desiderata, and not vice-versa (p. 21). Although theoretically, policy is *ex-ante*, and performance *ex-post* (p. 18), the author appears to argue, and quite justifiably so, that by now enough experience of running PSE' in LDC's has accumulated to enable us to initiate a pragmatic reversal of this traditional sequence. And behind this sensible argument stands the all-too-well-known phenomenon of bureaucratic, procedural, public administration-oriented policy-making by the concerned ministries which are never 'accountable' for public enterprise performance failures — when it comes to the crunch (p. 5). And an inevitable corollary to this thesis is the author's call to the public enterprises to take the *initiative* in setting their respective performance criteria, which might then be discussed with the government for consensus and approval (p. 26/p. 34). Such a line of thought is a departure for instance, from the British experiments where the government itself did not shy away from the task of specifying the

financial and economic objectives of public enterprises through white papers as early as in 1967. And this occurred as early as that despite the fact that the British economy was and is much more a market economy than India's, which avowedly is a mixed economy. What is puzzling, therefore, is that whereas Mr. Basu stresses the theoretical case for State intervention in LDC's for devising 'substitute market factors' (p. 16, p. 37 and p. 41) in the absence or failure of markets, the empirical behaviour of governments, particularly those in India, does not demonstrate that they have grasped the nettle and risen to the occasion. Probably the political posture of a socialistic economic development strategy thrives best in the confusion of multiple boundaries (p. 13). It is a resigned acceptance of this reality which seems to underlie the apparently theoretical justification being put forward in the eighties that in LDC's the PSE's should take the initiative in settling their own objectives. We have, however, to wait and see whether such initiative to place performance *before* policy is indeed going to create a thaw in the dense mist overhanging PSE management—at least in India. But the approach certainly calls for a quick and serious trial.

Coming to the suggested model regarding 'efficiency criteria', and the related performance-policy symbiosis (pp. 22-25), Sri Basu does mention the need to 'identify, classify, and rank the objectives into Physical, Financial, Economic and Social Objectives', which he later attempts to amplify through one of the major policy areas — Pricing. While the analysis is interesting, the reader is left wondering as to how this approach could be applied to individual PSE's. In the first place, what should be the rank ordering

of the four categories of objectives quoted above across firms like, say, Bharat Heavy Electricals, State Trading Corporation, Coal India, and Electronics Corporation of India? Will the first rank go to Physical Objectives for CIL, to Financial Objectives for STC, to Economic Objectives for BHEL, and Social Objectives for ECIL? Surely, according to Sri Basu, the initiative for such ordering lies with each PSE. Secondly, will not other policy areas like Investment or Surplus Generation themselves be dependent on and follow from Pricing Policy choices made earlier? Thirdly, and probably the most complex of all, how in an inter-sectoral economic development model, will each PSE's own rank ordering amongst the four classes of objectives mesh in with the total matrix of input-output relationships? These issues do arise in the wake of Mr. Basu's suggested approach, and we hope they would surely engage his or other's attention in due course.

Although Sri Basu admits of the great gains achieved by the Yugoslavian 'Social Enterprises' (not public enterprises), through decentralised decision-making, in respect of both profit maximisation as well as non-profit maximising criteria, made possible by the freedom from the heavy hand of centralised policy, he does not appear to summon the confidence to opine on the utility (or otherwise) of this approach in the Indian situation (pp. 37-38).

Lastly in his first essay, Sri Basu is right when he says that a new managerial order for PSE's needs to be complemented by a new managerial orientation for civil servants too (p.41). This is true and essential for the performance-policy sequence to spring to life. But just how this might come about is nowhere indicated — neither here, nor in

the second essay. However, it is difficult to agree with the author's opinion that industrial conflicts and certain other problems occur in PSE's due to the inversion of private sector business values and culture into PSE's (p.41). The author has not made his argument explicit. It will be more correct to say that the PSE milieu in mixed economies like India's are apt to breed industrial conflicts on their own steam, stemming largely from short-sighted, politicalised, multi-union and solely rights-oriented labour movement. In fact, we may say that the author's very espousal of the performance — policy sequence is likely to induct some of the healthier private sector business values into the arena of PSE's.

In his second essay, Sri Basu picks up the trail left in the first piece on public sector culture and upto a point, draws valid distinctions amongst the public administrator (PA) in government, business administrator (BA) in the private sector and public enterprise administrator (PEA) in PSE's (p.49, pp. 61-62 and pp. 65-66). In the author's view PSE's have unfortunately imbibed mostly the dysfunctional features of both the government and private sector cultures. While the governmental bureaucratic culture is principally non-results oriented, private sector business culture is almost exclusively profit maximisation oriented. The weaknesses of the former are evident in most PSE's but the strength of the latter is missing, although may be for good reasons. Instead, it is the inverted value system of private business conspicuous consumption culture which has afflicted PSE's (p.72).

The author's vision of an ideal PSE manager is one who possesses a blend of the value system of a PA with those of a PEA (p.73). It is not the rule and

procedure-centered value system of PA's, however, which is to be blended; but the loftier note of dedicated service to society which needs to be lifted out of PA culture and implanted into the educational plans of PEA's (p. 88). But we gather the impression from studying several recent Indian research articles and books on comparative motivational/value profiles of private sector and PSE managers that, there is hardly any significant apparent difference between their response patterns. In our view this indeed is likely to be so because all such studies use value profile questionnaires which merely replicate western survey instruments prepared in the light of competitive, affluent, private sector cultures. In other words, the managers — whether of PSE's or private sector — educated or trained as they already are in western managerial concepts and theories, their replies to such questionnaires are going to be predictably similar.

Sri Basu refers at one stage to the contents of the basic training course for the Malaysian Administrative Service (p. 82). Interestingly enough one finds 'religious training' as one of the main items in the course plan — and that too in a multi-religious society. We often wonder whether any enduring, other-directed value system can be erected except on the foundations of intrinsic, spiritual values (and not just extrinsic religious chores which too are not altogether valueless as many modern intellectuals are hastily prone to assert). Therefore, while the author seems to be rightly referring to the need for a more self-sacrificing value system for PSE's, he appears to be shying away from taking a clear stand on this aspect from the viewpoint of the Indian ethos. The weight of intellectualised calumny against spirituo-religious

values is indeed so oppressive today that even people of the stature and eminence like Sri Basu seem to shun any mention about them in formal ways. Of course sincerity is of far greater importance than formality in such educational schemes. Yet, such things need to be talked and written about for some time until most of us concerned in the matter begin paying serious practical attention to it.

In fine, this slim volume does leave the

reader with some clear signposts for coherent thinking about revitalising PSE management. It combines well both theoretical insights and pragmatic schemes to help reshaping PSE administration within a more consistent overall framework than what now prevails.

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