Policy Brief

By GULZAR NATARAJAN

17 Feb 2024

# Implementing State Capability Improvements

The public bureaucracy can be divided into two broad parts - the policy-making arm in the government secretariats and the policy/ program implementation arm in the Heads of Departments and their field functionaries. The problems associated with each, and the improvements required are different.^1 Most of the discussions on state capability improvements are confined to the realm of policy-making. But, conditional on any policy, its effective implementation is what matters.

Any efforts to improve the effectiveness of implementation must ensure reforms to the administrative units of implementation; capacitate the personnel on both their work and its management; improve the monitoring, supervision, and evaluation capabilities; and introduce performance accountability in a phased manner.

This post proposes a few measures to improve the state's implementation capabilities. All of them are both administratively feasible and politically acceptable. I have deliberately excluded procurement and transfers given their political economy challenges.

## 1. Cadre rationalisation:

A typical department or organisation or functional unit consists of several categories and levels of officials or cadres. For example, a health centre will have cadres like doctors, staff nurses, ANMs, lab technicians, pharmacists, health supervisors, clerks, sweepers, watchmen etc. Some of the cadres will also have promotional levels.

These cadres were established several decades back and have never since been rationalised. Given the changes in the scope of work of these agencies and the adoption of practices like outsourcing and digitisation, many cadres have become redundant and should be eliminated. Besides some new cadre requirements have also arisen which should be created. It's therefore useful to

undertake a de novo exercise to standardise the staffing patterns of secretariat departments, executive offices, and functional units like a hospital, or school, or field office. The cadre rationalisation should be accompanied by clear role allocation among the officials in the rationalised cadres.

## 2. Administrative restructuring:

While rationalising cadres, it's important to also rationalise the decision hierarchy. It's common to find multiple managerial layers within governments at all levels. The Secretariat establishments have around six layers from the Assistant Section Officer to the Secretary. Similarly, the Engineering Departments, for example, have 4-6 essentially managerial levels between the field functionary (the Assistant Engineer) and the Engineer-in-Chief. Surplus managerial layers are not only a brake against the speed of decision-making, hinder deliberation and creativity, lower quality of work, weaken accountability, and engender rent-seeking. And all this without adding any value whatsoever.

As a principle, we could apply the maker-checker-approver functional framework to eliminate all redundant layers in an office decision-making hierarchy. The same framework would translate to the doer-supervisor-monitor framework for field functions. This restructuring will also free-up the excess managerial manpower to be deployed on substantial tasks, thereby addressing the problem of manpower deficiencies.

These managerial levels were created to provide promotion channels than for any functional requirement. Over time, the promotion levels have crystallised around functional roles, skewed towards managerial ones. It's required to revisit and separate cadre management from functional roles. Accordingly, the cadres could be organised around the three-tier functional framework. As a compromise, the senior officials within a functional role could be allotted to units or activities with greater size or scope or complexity.

## 3. Human resource requirement:

Once cadres are rationalised, it's required to figure out the number of personnel necessary in each cadre. This should be done based on some objective workload assessment. This can be a challenging exercise, especially but not only because of the absence of good data and difficulties with quantifying workload. Therefore, some practical assessment must be done to determine the personnel strength requirement.

The redundant posts in the restructured cadres should be eliminated. The posts of the people working in the redundant cadres should be converted as supernumerary posts so that they get extinguished once the incumbent retires. All this would necessitate the redeployment of people across functional and geographical units.

## 4. Mode of human resource recruitment:

Then comes the issue of designating the recruitment mode for each cadre. Personnel deployment modes in government are permanent (or regular) recruitment, contract employment, manpower outsourcing, and service outsourcing. They differ in their service terms, ranging from direct and full

^1 TV Somanathan and Gulzar Natarajan, State Capability in India, Oxford University Press 2022 (https://global.oup.com/academic/product/state-capability-in-india-9780192856616) .

employment to indirect and temporary employment.

As a principle, those cadres engaged with sensitive and statutory activities that are core to the agency should be directly recruited. Cadres with technical skills can be recruited on fixed-term contracts and those cadres engaged with subsidiary activities can be outsourced as manpower or service.

## 5. Personnel capacity building:

Arguably the most important ingredient for capacity building among officials is good quality training. There's no better investment in state capability than the creation of good training content (like case studies), identification and nurturing of good training personnel, and development of effective delivery mechanisms/channels. The central and state government departments should focus on the development of high-quality training content, developing a pool of high-quality trainers, and digital and physical delivery channels. The Government of India's Mission Karmayogi, which is building a library of digital training modules, is a great start. The main target for training should be the frontline functionaries and their supervisors and managers.

Unfortunately, trainings have become so routine, non-relevant, and superficial as to become largely a perfunctory exercise. Training content is too theoretical and disconnected from the real-world issues and challenges that field officials encounter in their work. Besides, most of the focus on trainings is confined to senior officials, while trainings for field functionaries have arguably greater value and are mostly neglected.

Instead, training should be prioritised as an administrative necessity, cover all cadres and levels, seek to inculcate practical knowledge and skills, and be delivered in a blended mode on a continuing basis. Training content should focus on the commonly observed challenges and problems that field officials encounter, and on what can be done in terms of practical knowledge, tips, and skills to address them effectively. This will ensure training becomes an exercise in the acquisition of practical knowledge and skills and that too in real-time and on a continuing basis. This will ensure that capacity development gets integrated with the routines of administration.

## 6. Building institutional capabilities:

All state governments should prioritise and invest in building a very capable administrative training, and governance consulting and technical assistance-providing institution. The importance of training has been discussed above. One of the biggest sources of enfeebling of public systems is the increasing reliance on consulting firms for even basic knowledge generation tasks. This practice also ends up often compromising the integrity of government processes.

A strong in-house institution can develop the capabilities to deliver many of the knowledge management activities of government agencies like the development of training content, digital delivery modules, preparation of landscape scans and sector studies, documentation of best practices, data analytics, evaluation studies, concept development, policy design assistance, project reports etc. Even if it does not have the capabilities to do all these internally, this institution could develop deep networks with research institutions, think tanks, colleges and universities, and individual experts and draw on them to support government agencies.

## 7. Forging partnerships:

The creation of this training institution should be complemented with efforts to nurture strong technical assistance (TA) support capabilities in at least some colleges/ universities, research institutions, and think tanks, ideally from within the state. Such technical assistance capabilities would include undertaking studies, program evaluations, third-party audits, technical reports etc.

One or two such institutions could be empanelled as TA partners for each sector, and the state government agencies could source their TA requirements from them. The nature of these institutions overcomes the typical procurement challenges associated with hiring outsiders for TA support. The inflow of TA support fees will provide the much-needed resources to help build infrastructure and institutional capabilities within these institutions. Most importantly it will also eliminate the current excessive reliance on management consulting firms, with all its numerous and serious concerns.

In the long run, a knowledge ecosystem anchored by the in-house public institution has the potential to have a transformative cumulative effect on state capability development.

## 8. Process innovations:

One of the weakest areas of public management is the nature of work and time management among bureaucrats, especially but not only frontline functionaries. Even apart from the inordinately large amounts of time expended on meetings and urgent (but unimportant and unavoidable) issues, public officials are woefully inefficient in their time and work management skills and habits.

There are significant low-hanging fruits to be harvested from basic improvements in work management. And they don't come from the typical new public management measures like process re-engineering and outsourcing. But simple activities like work prioritisation, supervision and monitoring mechanisms, standardisation of meeting minutes and their follow-up, effective circulars etc., can improve dramatically with limited effort and discipline. There are no universal templates or standardisation for these activities. They vary across sectors and levels. It's a high-value exercise for leadership in each agency to focus on these activities and issue some basic default templates, checklists, Standard Operating Procedures etc., for work management across levels.

## 9. Supervision and monitoring:

It's a measure of the disconnect with reality that public commentaries and research focus on evaluations while almost completely ignoring the most important and proximate requirements for effective execution, supervision, and monitoring. In evaluations too, the focus is on post-facto headline program evaluations, as against the more relevant concurrent process evaluations.

The quality of service delivery is critically dependent on the quality of monitoring and supervision. Supervision is about the immediate and direct oversight and guidance of the activities of frontline functionaries by frontline managers, whereas monitoring is about higher-level oversight of the processes and outputs associated with the program. The effectiveness of program delivery is all about the quality of supervision and monitoring of the execution processes.

This raises questions of what to supervise and monitor. How and when to supervise and monitor? How do we frame and enforce accountability? Most of these are currently done in a perfunctory and routine manner. On introspection, it’s hard not to feel that the

arrival of shiny digital Dashboards has been a major distraction from the hard task of thinking through these questions. Public bureaucracies don't even have simple institutionalised information feedback loops to highlight recurrent failings, focus on addressing them, follow up on those measures, and so on. Unfortunately, very little thinking happens within government departments and agencies in these areas. This must change.

## 10. Performance management:

One of the biggest problems with public bureaucracies is the near complete absence of any performance accountability and performance management. Grade inflations have rendered Annual Performance Reports largely redundant. Promotions are not linked to performance in any meaningful manner. Disciplinary proceedings are the only bar on promotions. It's essential to gradually reclaim the lost ground and introduce performance accountability. There's no sustainable path to building state capability without changing the incentives on performance (or non-performance).

However, the generally proposed performance management solutions have several challenges and are unlikely to work. There's a need to recalibrate the norm on performance and promotions. This is a long and diffuse route to change. For a start, at the higher levels, those egregiously poor should not only not be promoted but also considered for compulsory retirement under Fundamental Rules 56 (j)/(l) and Rule 48 of the Central Civil Services Pension Rules 1970 (and their state equivalents). Perhaps the compulsory retirement scheme should be made less costly for employees, if only to overcome opposition and ease its adoption.

The central government has taken some decisive steps in this direction, by forcibly retiring senior officers of Group A services. This should be expanded. More importantly, state governments should embrace this across departments, especially those directly engaged with public service delivery.



© 2023. All Rights Reserved.