The Historical, Geographical and Cultural Context of Pakistan and Its Impact on Organisations and Human Resource Practice

Imdad A. Jokhio†, Izabela Robinson††, Nazar H. Phulpoto†, Sajid H. Mirani†, Zahoor A. Somroo†, Sohail A. Memon†††††, Zuhaibuddin†††††

†Department of Public Administration, SALU Khairpur, Pakistan
††Northampton Business School, the University of Northampton
†††††Department Of Mathematics, SALU Khairpur, Pakistan
††††††Department of Computer system, BUET Khuzdar, Pakistan

Summary
The purpose of this paper is to analyses and evaluates a wider Pakistani context in terms of the organizations and HR practice. The research context is important because it contributes to a legacy of Path Dependency which shapes organizational practice in diverse but enduring ways.

Key words:
Historical, geographical and cultural context, Organization, HRM

1. Introduction
The concept of Path Dependency falls broadly under the umbrella of institutional theory and emphasizes an evolutionary approach to economic change and development (David, 1994; Martin and Sunley, 2006). Many evolutionary economist scholars have raised the concept of Path Dependency as an important aspect of the economic landscape, and as the first principle for positive feedback in the evolutionary economy (Arthur, 1994; Arthur et al., 1987; David, 1994, 2007; Hall, 1994). Evolutionary approaches emphasize the role of social processes and embedded social, historical and institutional legacies in shaping organizational change and development. This implies that the concept of organizational change is an ongoing process of structural, institutional and attitudinal change which is complex, multi-dimensional and contingency constrained and which envisages different outcomes. According to Sewell (1996, pp.262-3), path dependence is ‘that what happened at an earlier point in time will affect the possible outcomes of a sequence of events occurring at a later in time.’ This means history matters in causal relevance of proceeding stages in a consecutive sequence. In this connection, Pakistan’s development reflects specific historical, institutional, cultural and political legacies which shape its economic development at the macro level that creates path dependency. Path dependency can operate at the micro level as well as at macro level (i.e. at the level of organizations as well as nationally) and can be looked at from the perspective of the organization. Organizations do not operate in a vacuum and reflect the wider contextual and situational influences of the environment in which they operate. In this way, organizational development can also be said to be path dependent, which can be reflected in organizational approaches to human resource management and development. The in-depth analyses of these aspects of path dependency in the Pakistani context have been discussed in the following sub-sections. These sections highlight how the historical and geographical backgrounds of the country created a legacy of path dependency which continues to shape institutional functioning.

The problems of Pakistan have a long history and are associated with imperial rule in the form of bureaucratic and military organizations inherited at the time of partition between India and Pakistan (Hafeez, 2012) that created a specific path dependency that arises in all circumstances and continues to shape the country’s development both at macro and micro level. As Malik (2003) stated, Pakistan has a largely illiterate population and extremely poor health conditions, human rights violations, lawlessness, corruption and unpredictable socio-economic circumstances. The question arises here why Pakistan even after seventy years of independence is still facing such type of problems and is being considered amongst the list of poorest countries of the world. To answer this question, the following sections briefly evaluate the history of Pakistan that highlight how wider contextual factors (e.g. military rule, legacy of post-partition colonialism, religion as a legitimizing influence, social relationships shaped by familial ties, patriarchal society) are reflected in organizational approaches to human resource management and development. In other words, under what historical circumstances a path dependency arises and a persistent feature of Pakistani organizations.

2. Literature Review
The notion of legacy and path dependency in post-colonial Pakistan
The British crown ruled over the Indian sub-continent for some 200 years (1756-1947); first through the British East India Company which was given a monopoly of all English trade to Asia by Royal warrant and then its successor the British-Raj (Metcalf and Metcalf, 2006). The eighteenth century was a remarkable period in the history of the British-Indian sub-continent that conceded drastic changes and affected the country politically, economically and socially. Nevertheless, strong national revolution and after the Second World War, the British-Raj transferred power to Pakistan and India on the 14th and 15th of August 1947. The Indian Independence Act 1947 partitioned India into two independent countries of India and Pakistan and established the office of Governor-General in each as a representative of the British crown. Pakistan geographically came into being in two wings; namely, West-wing Pakistan which exists within the current boundaries starts from Himalayas down to the Arabian Sea, and the East-wing of Pakistan is now Bangladesh on the Bay of Bengal bordering India and Burma (BBC, 2017). At the time of independence, several million people were dislocated across the borders. Nearly, 5 million Muslims were moved from India to Pakistan and about 3.5 million Hindus and Sikhs travelled from Pakistan to India (Jalal, 1985). In this division, nearly 562 widely scattered states joined either Pakistan or India. However, some states such as Hyderabad, Junagadh and Kashmir did not join either country and this resulted in the bloody Indo-Pak wars in 1965 and 1971 and the separation of East-wing Pakistan. The unresolved issue of Kashmir is still a bone of contention between two countries India and Pakistan. The history of partition has created an institutional legacy which can be described as the triumvirate of administrative institutions (Islam, 1989).

Administrative secretariat

The Indian Civil Service which constituted the key elements of the post-colonial legacy for Pakistan. Administrative secretariat: The Mughal emperors so called (sultans of Delhi) had an effective administration system in medieval India. The British actually took over the Mughal’s system of administration and altered it according to their needs (Islam, 1989). The administrative system was known as the ‘Vice-regal system’ with a Viceroy representing the British crown in India and given responsibility to govern huge territories of a large and hostile population (Goodnow, 1964; Islam, 1989). Viceroys maintained imperial policies through a system of secretaries at the main headquarters in the regions. According to Tinker (1966 cited by Islam, 1989), the Viceroy held the most dynamic and powerful portfolios, and followed an autocratic administrative style in the decision-making process. Thereby, the decisions were not necessarily discussed and debated with the governors-

members of the Executive Council. Islam (1989) links this precedent to the Pakistani Cabinet and the way it functions is same as the Viceroy did and argues that it has influenced the way in post-colonial history of Pakistan. This implies a legacy of autocratic management style that continues to exist in many public and private Pakistani organizations (Ali, 2012; Memon, 2015), and, in turn, affects employee attitudes and organizational performance.

The district administration

District administration: The district administration has a long history and has influence on the nature and evolutionary scope of bureaucracy even before the partition of India and Pakistan (Islam, 1989). The emphasis was on fast, conclusive and powerful action and the role of the Collector/Deputy Commissioner was predominantly autocratic, with little or no consultation or involvement of subordinate workers. Such autocratic style can be attributed with an effective military commander in the field (Braibanti, 1963; Islam, 1989). Hence, the forceful actions and autocratic management style seems to be a path dependent pattern of the Pakistani organizational culture that may be effective in the institutions such as militaries, army or bureaucracy but arguably such an approach can have negative effects in the service sectors like banking organizations.

The Indian Civil Service: The Indian Civil Service (ICS) has remarkable importance in the history of the British and Indian sub-continent. The ICS was comprised of the highly powerful officials of the empire ruling more than 300 million Indians and administered all the activities of the Anglo-Indian state to the Civilians (Dewey, 1993). Typically, each civilian had 300,000 subjects in which they penetrated and collected revenue, fixed rights and allocated land, managed scarcities, promoted agriculture, constructed public works, announced laws, examined crimes, checked municipalities, schools and hospitals. Islam (1989) argues that the ICS introduced a hierarchical chain of command based on a rigorous reporting system (Dewey, 1993), which reduced discretion and initiative in the implementation of the policies and procedures approved by senior authorities. The ICS has been described as paternalistic, authoritarian and intolerant of outside interference even from native politicians (Dube, 1971; Islam, 1989). The ICS in India operated as a supreme authority within the vice-regal system and did not work in co-ordination and co-operation with politicians (Ahmad, 1964; Islam, 1989). The triumvirate of administrative institutions of the secretariat, district administration and ICS contributed to a colonial legacy in Pakistan which continues to be reflected in a widespread bureaucracy, a rigid hierarchical structure within organizations and an autocratic management style. The colonial civil service legacy is also reflected in enduring
patterns of recruitment and selection into senior positions within organizations. For example, at the time of Independence, Indians were increasingly permitted to enter the ICS and entry was regulated through specific examination system which allowed individuals with a higher English qualification to get through and thus preserved the elite characteristics of the cadre (Islam, 1989; Jones, 1997). This exclusivity further increased by preserving all key positions in the government, secretariat and in the administrative field for ICS, and special exclusive training created a strong esprit de corps among elite groups but restricted entry for those from less privileged and connected backgrounds. This path dependent resourcing pattern has implications for contemporary approaches to Human resource management within Pakistani organizations and was a key aspect of the research undertaken in this thesis. Other aspects of Pakistan’s history, culture geography and socio-economic development have also contributed to an enduring legacy and these issues are explored more fully in the next section.

Organizational culture of Pakistan

Pakistan has cultural diversity where about 20 languages are spoken, but the most common languages are Urdu, Panjabi, Sindhi, Baluchi and Pashto. In the effort of understanding characteristics of Pakistani organizational culture that is shaped by wider social, historical and political factors, this section first attempts to examine what is the national culture of Pakistan and how it shapes beliefs, values and organizational relationships because organizational culture, values and beliefs are highly influenced by national culture (Khilji, 2003). National culture has been defined as ‘...culture is a product, is historical, includes ideas, patterns and values, is selective, is learned; is based upon symbols, and is an abstraction from behaviour and the products of behavior’ (Kroeber and Kluckhohn, 1952, p.157). Different scholars in cross cultural studies have suggested different cultural dimensions. For example, Hofstede (1998) suggested four cultural dimensions on the basis of his study conducted on fifty nations: power distance, individualism, masculinity and uncertainty avoidance. However, Tayeb (2001) argues that national culture cannot be just simplified and categorized into boxes covering some nations and excluding others and needs to take account of sub-cultures and different groups in the given culture. His argument is relevant to the Pakistani context, because Pakistani society is based on different ethnic groups and cultures. Khilji (2001) describes Pakistani culture in the light of Hofstede’s cultural dimensions and argues that it looks like the collectivist, high-power distance, high uncertainty of avoidance and in the mid of masculinity and femininity index. Arguably, it is high on the masculinity scale and these differences are path dependent learned in early childhood in the Pakistani society so that the child may learn that the female is weak and needs protection at every stage of life and that is a big psychological barrier that keeps them down in both independent professional careers and their participation in the labor market and business culture.

The Pakistani society also protects the path dependent principles of respect for elders and discourages children to question elders or authority. This means there is no question from elders or authority, such practice has implications at the workplace that creates high-power distance between employee and authority (Khilji, 2001). These hierarchical differences indicate the colonial legacy which divided the society into various feudal lords and elite groups and kept the general public at distance. Khilji (2003) depicts the national culture of Pakistan as an amalgam of four different factors: i.e. Religion-Islam, Indian-origins, British colonial inheritance and American influences that continue to have an impact on organizational relationships and practices. Her findings indicate that the philosophy of HRM cannot be viewed in isolation without considering the culture of the organization. Khilji (2003) states that due to the importance of cultural sensitivity, managers are advised to take national culture into account when developing HR policies and practices to ensure survival and success through social legitimacy by reflecting common cultural values and beliefs. However, the scholars including Ali (2012); Khilji (2001, 2003); Memon (2015) repeatedly state that Pakistan after the partition from India got a massive public sector that was a hallmark of ‘passive management culture’ and was borrowed from the British colonial era; that is, bureaucratic, centralized, and non-responsive to the employee needs. These cultural values system forms the path dependent foundations of organizational culture. Bos-Nehles et al. (2013) argue about the quality of HR practice a company has in place that applies to take full advantage of human resources through continual improvements of skills/abilities and motivational processes will maximize the effect of organizational culture and performance. Therefore, the following section discovers HRM in Pakistani perspective.

HRM in Pakistani organizations

As discussed, Pakistan has a history of specific legacies inherited through the colonial era such as colonial administrative practices, military influence, social traditions which shape organizational relationships and practices. This section discusses the importance of human resources in the organization because only people can plan, design, implement and sustain organizational performance (Senyucel, 2009). In this connection, a simplistic but rather vital point can be highlighted that recruitment and
selection of employees is considered to be one of the most important functions of HR practice; it must be fair, impartial and unbiased (Banfield and Kay, 2012; Senyucel, 2009) for developing and maintaining employee and employer relationships within organizations. However, before looking at the employment relationship in Pakistani organizations, it is significant to recognize the nature and scope of HRM and how it looks like in the Pakistani context. Although the concept of HRM has been described differently since the beginning of people management theories such as personnel management, employee relations and human resource management (Carbery and Cross, 2013). HRM in its broader sense is to highlight the role and significance of people to support the organizational strategic objectives. In this connection, people are considered as an asset rather than cost, and a source of competitive advantage (Carbery & Cross, 2013; Pfeffer, 1994). Many authors including Collings and Mellahi (2009); Lepak and Snell (1999); Soane et al. (2012); Wright et al. (1994) have supported and built upon Barney's (1991) resource-based-view (RBV) of the firm for competitive advantage. This means spending on skills/ability development and motivation is an organizational investment that can be made to satisfy current and future organizational objectives, and to create a competitive advantage. In this connection, Senyucel (2009) argues that dealing with people is a most difficult thing, because people differ due to social, cultural, ethnic, political, economic and national backgrounds. These differences make them unique in terms of values, beliefs and attitudes, and people’s characteristics, values, beliefs and attitudes have strongly influenced their choice of employment in the organizations. Here, both Barney (1991) and Senyucel (2009) are highlighting the internal and external forces affecting people and organizations. For example, Senyucel (2009) talks about competitive and social forces affecting people and organizations in practice. Figure 1.1 elaborates the factors affecting organizations.

In terms of the Pakistani context, the effects of competitive forces can be realized after the privatization program introduced in 1991 to attract private investment that changed the complete scenario of the work setting and established the concept of modern HRM practices (Ali, 2012). Similarly, the effects of the social network and colonial legacy in Pakistani society have important linkages with institutions and HRM practices. Although Ali (2012) discusses the factors affecting organizations and highlights the major threats and business opportunities within the Pakistani context, Ali does not clearly state how organizations should respond to that situation. In this connection, Kontogiorghes (2016) argues that the organizational effectiveness in terms of HR practice depends on the extent to internalize and respond to the complexity of the external environment (Kontogiorghes, 2016). This means, if organizations have a strategic approach and flexibility to adopt to change in terms of HRM practices (e.g. advanced and progressive quality of skills/ability, transparent organizational culture to support merit in recruitment and selection, and core values of motivation and integrity), they can have a strong effect on talent attraction, retention and organizational performance. Meritocracy, importance to the employee motivation and considering them as assets of the organization in the Pakistani context is largely overlooked, whereby political and military elites have remained very influential in the way they make decisions on economic, social and legal affairs (Ali, 2012) and most importantly they occupy key positions after retirement in various public and private Pakistani organizations that affects HRM practice.

The concept of HRM in Pakistan was started through multinational corporations and business trends that was further progressed by the Pakistan Industrial and Development Corporation (PIDC) with the mandate of speeding up of industrialization (Akbar, 2013). The popularity of the concept further strengthened through the Pakistan Institute of Management (PIM) which appeared as a leading institute in the 1960s in the field of human resource development (HRD) (Akbar, 2013; Jamil, 2005). Subsequently, the State Bank of Pakistan and other commercial banks, insurance and private companies started to set-up in-house training and development programs to increase organizational efficiency. As a result, the setting up of a separate HRM department was the main concern of not only the leading organizations but also for the smaller ones to bring professionalism in the management operations (Akbar, 2013). Gradually, leading universities started to teach HRM courses. According to Akbar (2013), in Pakistan HRM was adopted due to the new emerging trends of globalization and to increase the pace of economic and business activities. Today, many small and large organization tend to have HRM in order to manage their workforce efficiently; however, most of the organizations in Pakistan
still don’t have a separate HR department because sometimes developing a separate HR department with a head is to be considered as a cosmetic measure unless the company has realized and accepted the real advantage of HR program (Akbar, 2013). Still, there are many companies, even ISO-certified companies, have no HR department and are working with an outdated system of personnel management. This means most of the Pakistani organizations do not want to spend money on the department that is responsible for the strategic operations of HRM but are functioning under the old path dependent patterns of routine office practices. The reason may be the lack of HR professionals in the management side who should have the capability to design and execute HR strategies. According to Akbar (2013), many companies have transformed their procedures of HR practice yet have been lacking in inducting fresh talent and HR experts in the organizations. Most importantly, the people who are unaware even about HR basic terminologies are performing core functions of HRM. Further, (Akbar, 2013) alleges management for involvement in favoritism and nepotism because of that the core functions of HR such as resourcing, training and development, performance management cannot be implemented properly.

According to Shah et al. (2016), fairness in selection process in Pakistan is altered on the basis of political involvement, bureaucracy, exploitation, dominance of elites, poor judicial system, discrimination and quota system. Every successive government has been acting as the source of employment exchanges to provide jobs to their supporters and political activists that is path dependent violation of merit and affects the talent of the country. This is true whereby not only political activists are recruited but a large number of workforce is recruited in different departments on the basis of elite relationships, personal connections and paying money to get a job that lets HR policy and practice down in Pakistani organizations. In this connection, Halim (2008) talks about the bureaucratic corruption that is more in the developing countries affecting recruitment and selection process. This statement is fairly true when to look at the role of bureaucracy and their involvement in the recruitment and selection system in Pakistani institutions, and this involvement and dominance of bureaucrats increases the corruption (Hussain, 1999; Shah et al., 2016). Bureaucratic corruption has significant influence in both public and private organizations but more in the public sector especially WAPD, PIA, Steel mills and the Railway department in Pakistan.

Another path dependent key issue in Pakistan is discrimination in employment. Most importantly the gender discrimination, the number of women in employment at all professional levels is insufficient due to the lowest literacy rate in females and the male domination in the society (Alam, 2009; Shah et al., 2016). This reflects a weak law enforcement and legislative system which can prevent employment discrimination. Surprisingly, even seats reserved for a quota are to be distributed based on personal contacts. The elite class uses their power to fill quota seats with their own candidates rather than to give seats on a merit basis (Khilji, 2002; Syed, 2003). Hussain (1999) argues that if we compare the fairness of the judicial and legislative system of the UK (which prevents discrimination in employment) with Pakistan, then it is clear that the judicial system in Pakistan is so weak and dysfunctional. The political interference and elite domination is the main cause for rules violation and not implementing laws in the society (Khilji, 2003). Such violations can have effects on the organizational relationships and work settings that need to be explored.

The above careful review of the Pakistani organizational context explains several common patterns across the literature such as centralized and bureaucratic organizational culture, elitism and high-power distance, hierarchal difference, favoritism and nepotism, employment discrimination that can affect employment relationship at workplace. In Pakistan, government legislation has a vital role in shaping and regulating industrial relationships under the Industrial Relations Ordinance (IRO) of 2002; it is the most important legislation for building and maintaining the employee and employer relationship (Baig, 2005; Shah et al., 2016). However, due to the inconsistency in government policies pertaining to the trade unions, the elite class use trade unions for personal political purpose but not for the good cause of working-class people. Hence, work-related relationships between employee and organization are not that much constructive within Pakistani organizations.

Shah et al. (2016) explains that the factors which are affecting employee and employer relations in Pakistani organizations: high-power distance, high unemployment, industrial tribunals, unclear contract of employment, no involvement of employees in decision making and management and employee performance. Shah and others in group further argue that the political instability and the constitutional changes by military generals on various occasions affect basic human rights. Such as: firstly, high-power distance in Pakistani society keeps working class people at the side and people usually accept this hierarchical difference (Khilji, 2003; Shah et al., 2016). The hierarchal difference keeps employees separated from management and this top-down approach exists in practice in most of the Pakistani organizations. Secondly, high unemployment also affects the relationship that is the imbalance of power between employee and employer, whereby employees have an unquestioning attitude towards management in the fear that they may lose the job if they negotiate with them (Shah et al., 2016; Siddique et
al., 2006). This indicates about employer dominancy and pressure on employee they experience within Pakistani organizations. Thus, psychologically, they are ready to work under the pressure of a high-power distance working environment. However, as modern HR practice deals with potential employees and their performance such difference may be taken as a non-supportive organizational culture and pressure for performance that can have a negative effect on employee perceptions for management and may create conflict between employee and employers. According to Shah et al. (2016) the industrial tribunals are available in IRO 2002 to settle industrial disputes; it is not that effective in practice due to the political and elite class involvement. This implies that laws are available in government documents but are not protecting the employees’ rights. Similarly, the contractual terms and conditions are not much clearer to the employees, and often employees are unaware about their rights. According to Khiliji (2003), due to high-power distance and the hierarchal organizational structure, employees are kept on the distance from management and are not involved in decision making. This statement shows that employees within Pakistani organizations have limited opportunities to discuss their problems and issues they might face in the workplace that may be essential for a healthy organizational relationship. For example, Shah et al. (2016), emphasizes on the direct relationship between employee participation in decision making and building employment relationships, and argues that the more employee involvement is given in management decisions; the positive will be the effect on employee relations. Hence, employees need to be given the opportunity to participate in decision making, since this act will improve a positive individual and organizational relationship.

Khiliji (2004) suggests that the work-related values of Pakistani employees, particularly young cohorts, have changed so-called generational differences of modern economy and advanced HRM practices. These cohorts are aware about the modern management techniques and expect similar progress in their organizations to give outstanding results. Therefore, organizations should reassess the values of their employees to give maximum job satisfaction (Khiliji, 2004). This means that those organizations who are responding to the changing needs of employee goals and objectives can have greater HR satisfaction and experience. However as discussed above, path dependent cultural and political factors are affecting organizations at macro and micro levels; hence, it seems highly unlikely that they adopt an impartial and unbiased way to perform strategic HRM functions for achieving better HRM outcomes. Although some Pakistani scholars, including Abbasi et al. (2010); Shah et al. (2016), acknowledge the importance of organizational relationships and the effective management of human resources for higher organizational performance, there is limited empirical work for this effect in both the public and private Pakistani organizations.

3. Conclusion

The paper was based on the contextual factors contributing to a continuing legacy and underscores their importance in the role of HRM strategies within Pakistani organizations in post-colonial Pakistan. The discussion was built on the path dependent traditional social, cultural and work-related values that are experienced by employees within the Pakistani organizational context. The path dependent institutions that were designed on colonial structure and hierarchal lines caused a legacy of bureaucracy, militarism and elitism, and Pakistani society was segregated on ethnic and occupational values (Ali, 2012). The social and cultural context of Pakistan highlighted that life exists within a group or community. Literally, Pakistani society is based on two main classes’ elite and non-elite (general public) (Khilji, 2004). The elite class controls the business of the country with power status and public money, and their control is constant because they have informal immunities to protect themselves and no rule applies to them to curb their power (Hussain, 1999; Khilji, 2004), and non-elites are fighting for basic rights including poverty elevation, justice and democracy. However, misuse of power, dominancy and breaking laws are the path dependent characteristics of the elite class people that cause frustration in society in general. The similar values system that is typically centralized, bureaucratic and authoritative has been reflected in organizational practices and generally non-responsive to employee needs (Khilji, 2004). However, supremacy of colonial legacy is systematic in Pakistani society and organizations.

Following the privatization program, the new trends of the modern economy and progressive HRM practices emerged in several public and private sectors Pakistani organizations that increased competition and pressure for performance. However, in contrast to the public sector, the private sectors’ Pakistani organizations are intending to use American management style. Khilji (2004) sounds it ‘hard-core American management techniques’ such as management by objectives (MBO) and pay for performance. Following this statement, it can be argued that copying a few managerial techniques may give somewhat satisfaction to Pakistani managers what they do but may not add values to business in practice. As Khilji and Wang (2006) noted that ‘...mere imitation of HRM in the hope of improving organisational performance creates no value. It is crucial that the HR department and managers remain committed and supportive to the development of effective HRM system by focusing upon actual implementation within their organizations’ (p.1).
This means there is substantial difference between coping and actual HRM practices. Ali (2012) found that high-power distance, managerial distrust, organizational hierarchy and collectivism in society were major cultural factors affecting Pakistani organizations. This means the more society or organization is collectivist and on high-power distance, it is more likely to be hierarchical and authoritative in structure, and there are more chances of favoritism and nepotism. These contextual factors are path dependent that contribute to an enduring involvement in organizational policies and practices. Ali (2012) argues that corruption, favoritism and nepotism (so called sifarish culture) and cronyism are the main barriers to implement modern HRM practices. As a result, Pakistani organizations are suffering from overstaffing and lack of efficiency issues that not only can affect the values and objectives of the organizations but also effective implementation of the HR system. In the case of this study, it has been argued that path dependent contextual factors affect organizations generally and its HR policy and practice specifically within Pakistani context. The effective implementation of HR policy and practice increases employee satisfaction that is positively related to organizational performance (Khilji and Wang, 2006). This study further highlights that previously no study looked at the impact of legacy and path dependency on HRM strategy and practice within the Pakistani organizational context.

References


