

Book Review

Training of Public Enterprise Managers

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A review of Gabriel Iglesias, Sushil Chandra, and Melito Salazar, Jr. (eds.), *Training of Public Enterprise Managers* (Kuala Lumpur: Asian and Pacific Development Administration Centre, 1980), 753 pp.

Introduction

In the last two decades, public enterprises in the Philippines have taken a more active role in effecting economic and social changes. There are enterprises which have been on the scene for quite some time now, while others have been recent creations in response to emerging needs. An example of the former is the National Development Company which has metamorphosed from a traditional holding company to an aggressive public enterprise acting as an umbrella for government corporations pioneering in manufacturing and production-oriented activities. On the other hand, a more recent creation is the National Food Authority (NFA) which last year absorbed the National Grains Authority and the Food Terminal Incorporated. As a revitalized food corporation, the NFA embarked upon a nationwide program that included food packaging, warehousing, distribution, and retail business aimed specifically at making essential food commodities available to low and middle income families at realistic prices. It organized the Kadiwa centers which

eliminated the middlemen and thus brought the price of commodities to a level lower than those in *sari-sari* (literally, variety; the small neighborhood) stores and public markets. Similarly, the National Home Mortgage Finance Corporation, another enterprise of recent vintage, was created to revolutionize the whole real estate financing system in the country by accepting real estate papers from private banks and financial institutions that have extended housing loans to private and public sector employees at liberal terms. It evolved the "PAG-I.B.I.G." concept which is particularly aimed at making housing a privilege available even to the low-income members. It has also been mandated to give mutual benefits similar to those extended by mutual aid societies.

Given these illustrative cases, public enterprises can be expected more and more to assume developmental tasks not only in implementing government policy but in trying to run their organizations along business lines. These patterns in administrative and organizational changes are natural responses to the desire to have government institutions which are unfettered by tradition-bound rules and compliance-oriented policies. Endowed with ample corporate powers by their

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charters, these public enterprises can be more flexible and quicker in decision-making than national offices and agencies. Their organization structures are similar to those of private businesses, as in fact the areas that they operate in are those that private businesses have traditionally considered their domain. Many of these enterprises now enjoy more autonomy in the management of their fiscal affairs and to a very large extent lessened, if not entirely freed themselves from, their traditional dependence on national budgetary requirements. Resources are more readily available to these enterprises because they are authorized to acquire and dispose of property to pursue corporate objectives. They can and do invest in securities and other notes of indebtedness. Most important of all, these public enterprises can proliferate as the need arises, creating subsidiaries that are government owned but legally function as private enterprises.

Because of the relative flexibility and autonomy that these public enterprises enjoy as compared to other government institutions and instrumentalities, they are in a position to offer attractive career opportunities to the energetic and achievement-oriented graduates. The retention and development of these recruits as well as the enhancement of the managerial, professional, and technical skills of the personnel from within these enterprises will require a systematic and clearly developed training program for public enterprise managers.

The government's response in the area of training public enterprise managers has not been wanting. For in-

stance, there is the Civil Service Academy, an arm of the Civil Service Commission, which is conducting a month-long training program for managers of public enterprises. Similarly, the Philippine Executive Academy, a part of the University of the Philippines, offers courses in public enterprise management. The Development Academy of the Philippines also provides training and organizational development services to individual government corporations upon request. However, there seems to be a need for a comprehensive strategy for manpower and managerial training of public enterprise personnel in order to optimize resources and to rationalize specific and discrete training plans and program.

The Asian and Pacific Development Administration Centre (APDAC) Study

Methodology

Edited by Dr. Gabriel Iglesias, Dr. Sushil Chandra, and Professor Melito Salazar, Jr., *Training of Public Enterprise Managers* is a comprehensive and analytic study on education and training of managers in government corporations. As early as 1976, a conference was held by the Eastern Regional Organization for Public Administration (EROPA) on "Asian Development Strategy and the Role of Public Enterprises." Other conferences were held culminating in the survey undertaken by experts from eight countries from March to October 1979; the consultative workshop in January 1980 where public enterprise experts and practitioners, including those from the International Centre for Public Enterprises in Ljubljana,

July

Yugoslavia, participated; and the evaluation of the data. *Proposed Curriculum*

The individual papers of the country writers were included as Part II of the book. The writers were academicians and practitioners in training and development from India, Indonesia, Japan, Malaysia, Pakistan, the Philippines, Sri Lanka, and Thailand.

Admitting certain limitations relative to the survey questionnaire, such as its unusual length, irrelevance of certain questions to the stated purpose of the study, the reluctance of the respondents to reveal confidential data that may prejudice national interests, and the relatively low response rate, the authors nevertheless assure the reader that the data were substantial enough to serve as basis for meaningful evaluation and recommendations. A noteworthy limitation, which applies internally to the Philippines, as well as regionally (within the participating countries), is the diversity and heterogeneity of the functions, objectives, and scope of public enterprises as well as the environmental systems within which they operate. A clear advantage of the study, the authors reveal, is that in spite of methodological problems and constraints, the country studies represent a cross section of the various Asian countries. The workshop which followed after the survey was held in January 1980 in Kuala Lumpur. Here papers were discussed and issues, such as: need for education and training; public enterprise management as a profession; performance criteria; typology of the curricula; internships and exchange; manager as trainor; and training materials, were analyzed.

The authors state that training in public enterprises should be geared towards four types of participants: the junior level, the middle level, the senior level, and the top level. There should be intensive inputs on the "processes of objective-setting and of translating these objectives into performance standards and plans." Significant is their finding that "existing institutes of management and those offering business and public administration programs can adequately serve the education and training needs of public enterprise managers." This will then avoid the creation of a new institute which is an alternative often considered irresistible by some change agents. Utilizing existing institutions will also prevent duplication/overlapping of functions and optimize the use of existing resources.

Accepting the diversities of the objectives of public enterprises and weaving together the common needs of the managerial personnel, the APDAC experts recommend a "model" or "prototype" curriculum which can be used on a regional basis and which can help each country evolve suitable and appropriate training programs. The authors also point out that the "model" assumes that the existing curricula for training public enterprise managers are inadequate to meet future needs of public enterprises at various levels of the hierarchy. They suggest that the proposed curriculum be implemented by a country on a pilot basis and that after its implementation a regional forum may be called to assess the extent in which changes/improvements may be made.

The curriculum visualizes four blocks which cover foundation and overview, functional, and special area

specialization, advanced specialization and special problems, and special issues and problems.

While the four modules are common for all levels of managers, the emphasis of each module vary in terms of coverage, treatment, and training methodology. Flexibility is assured to accommodate the experience and training of the participants as well as the nature and functions of the public enterprises where the trainees are employed. For example, the training needs of corporate officers of a public utility corporation (such as power and water) will differ from those of the banking sector. The industry requirements and environment, as well as policies, economic constraints, and incentives also differ within each functional sector and more so across different functional sectors. For instance, regulatory policies for hydro-electric based enterprises are different from gas-based enterprises. Thus, the distinct advantage of modular flexibility both in terms of participants' needs and trainers' capabilities, lies in appropriate choices of topics, time frame, and methodology.

Comments

Iglesias and colleagues have contributed significantly to the literature on training in public enterprises. The personnel and training managers of public enterprises have a book which they can use as basis for evolving in-house training for their corporate officers. Similarly, other public enterprises in developing countries may choose to adopt a nation-wide public enterprise training strategy.

While the Philippine paper contains an intensive analysis of the survey

data and other documents on public institutions, there is a gap in the "training experience" of Philippine institutions, such as the Civil Service Academy which handles ELM for corporate officials, the Philippine Executive Academy, and the Development Academy of the Philippines. Some questions which must be answered are: What is the scope and magnitude of the training and development programs of the above institutions? To what extent are interfaces made between the in-house training and development programs and the external training programs? What are the courses offered? To what extent are they relevant/appropriate to the trainees' needs and the requirements of the executive jobs? Are there performance indicators which are correlated with training inputs? To what extent is performance linked with effectiveness on the job?

Training is often perceived as a panacea for bureaucratic problems, but are we not leading to a situation where the manager feels overtrained? Viewed in isolation of other organizational reforms, training can be a temporary palliative for a more serious problem, such as organizational malaise. It is believed the "model" curriculum of the APDAC group can have a greater degree of successful implementation if training is envisioned as component of a system-wide reform within the corporate environment. Complementary to this is the need for a consistent evaluation scheme which is built into the training program, so that each program is dynamically developed. This will make the training of public enterprise managers responsive to economic, political, and social changes that are inherent in the eighties.