

Patterns of Autonomy and Control in Agencification of Pakistan: Perceptions of Agency Employees and Ministry Officials at the Federal Level

Patronen van autonomie en controle in de agentschappen van Pakistan: percepties van medewerkers van het Agentschap en de functionarissen van het ministerie op het federale niveau

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Abstract

With the proliferation of agencies in the public sector in both developed and developing countries, arises the need to assess the underlying dynamics and challenges of managing such disaggregated organizations. This study investigates various dimensions and associated levels of autonomy and control in federal agencies of Pakistan as perceived by its key employees and parent ministry officials. It unveils the phenomenon of agencification in Pakistan, covering the history of the creation and governance of public agencies in the specific context local and assesses the extent to which generic theoretical explanations and contextual factors shape agency autonomy in Pakistan. The study contributes to the agency debate occurring at a global level across developed, developing and transitional economies, providing arguments for a context-specific design of government structures. The Sequential Explanatory Design was followed to collect the data in two phases, first through a survey questionnaire which was adapted from similar surveys conducted in several European COST-CRIPO member countries and subsequently by conducting 39 semi-structured in-depth interviews of two different respondent categories: agency senior management and ministry officials. The empirical results demonstrated that the creation of autonomous agencies does not guarantee complete autonomy or minimal government control since a close networking and informal connection between political agents (ministers) and administrators managing the public agencies have a compromising effect on its autonomy. Though, the data demonstrate a comparatively lower degree of political influence upon autonomous agencies than traditionally centralized entities. The local context has explanatory power in Pakistani public sector agencies. Based on the empirical evidence, I conclude that the process of agencification in Pakistan is influenced by the traditional system of performance management, hierarchical accountability, and a politicized environment since the parent ministry continues to hold on to its conventional role of control.

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1 Introduction

In the last three decades, the landscape of public sector organizations has experienced tremendous reform efforts at a global level. The creation of autonomous and semi-autonomous agencies was a policy measure which was adopted by governments all over the world (Verhoest, Roness, Verschuere, Rubecksen & MacCarthaigh, 2010; Verhoest, Van Thiel, Bouckaert & Laegreid, 2012). By creating semi-autonomous public sector organizations, larger government bureaucracies were disaggregated into fragmented organizations, having autonomy to manage their administrative and operational activities. Various nations have witnessed the eruption of such split entities and the creation of a multitude of different kinds and forms of semi-autonomous organizations, categorized within the domain of an agency (Flinders & Smith, 1999; Pollitt & Bouckaert, 2004).

The process of disaggregating the public sector was amplified by New Public Management doctrines during late 1980s and went on till the 2000s (Pollitt, Bathgate, Caulfield, Smullen, & Talbot, 2001). This doctrine strongly influenced and contributed to the rise in the number of agencies (Flinders, 2004; Pollitt & Bouckaert, 2004). This reform practice emerged so widely in different countries in the early 2000s, that some researchers and scholars termed it as a ‘fever’, so contagious that it spread out in various politico-administrative contexts rapidly (Pollitt, Bathgate, Caulfield, Smullen, & Talbot, 2001).

Various authors have identified factors that form the basis of NPM-led agencification reforms in the public sector. Firstly, efficiency is reported to be one commonly sought reason to delegate tasks to autonomous agency structures under ministerial bodies (Verhoest et al., 2010). Autonomy refers to giving managers the discretion to manage and this is expected to lead to more efficient service delivery of public tasks (Moon & DeLeon, 2001; Overman, 2016). Secondly, the creation of autonomous agencies is further expected to increase political accountability and political stability (Pollitt, 2004). The third most frequently reported reason to transfer public tasks to autonomous bodies is to achieve internal organizational benefits ultimately resulting in performance benefits. Such semi-autonomous structures are expected to be more flexible since they can structure themselves under varied legal forms (Bertelli, 2005). In addition to such generic reasons for creating agencies, the rise of the agency model

in developing and underdeveloped nations is also the result of international pressures from the donating world and international organizations (IMF, World Bank, OECD, and EU) (Overman, 2016); (Moynihan, 2006). Agencies are expected to be flatter organizations with lesser pressures exerted from the politicians on routine operational matters and policy implementation than the traditional centralized ministerial model (Verhoest et. al, 2012). According to Yesilkagit and Christensen (2010), agency structures may be an initiative of the political elites and not the legislatures; reason being to enhance their credibility and also to make the autonomous agencies responsible for their decisions and actions (Gilardi, 2004).

1.1 Agency Logic

One of the purposes of the creation of autonomous and semi-autonomous entities is to reduce the role and size of the monolithic government machinery and disaggregate this into leaner agencies (HOOD, 1991). Another aim of such structured entities is to stimulate public sector organizations to modernize their management practices and ultimately become more customer-oriented (MacCarthaigh & Boyle, 2012). This specific purpose very clearly indicates how the formation of autonomous bodies is guided by the doctrines of NPM (Christensen & Lægreid, 2007); Hood, 1991; Hood & Peters, 2004), which again takes inspiration from private sector management philosophy. This new paradigm of management is based on the ideology of neo-liberalism, which advocates that organizations are granted an enhanced level of managerial autonomy to create an environment of improved efficiency, optimal allocation of scarce resources, which ultimately makes them more responsive to the needs of their clients or stakeholders (Pollitt, Talbot, Caulfield, & Smullen, 2004; Verhoest, Peters, Bouckaert, & Verschuere, 2004). The creation of autonomous bodies is justified on political, administrative and policy grounds. Meaning that politically these reformed structures legitimize the existence of public sector service organizations by acting as more performance and customer-oriented and elicit a responsive and flexible behavior (MacCarthaigh & Boyle, 2012). Being at an arm's length from the central government serves the purpose of depoliticizing the public sector entities. Moreover, the

breakdown of larger bureaucratic setups into smaller autonomous units renders them more manageable in terms of both quality and efficiency of service delivery (Bach, 2012); Pollitt et al., 2004). Such autonomous organizations provide managerial autonomy to managers and make the employees empowered, thus making it possible to hold them accountable for their decisions and actions (Pollitt, Bathgate, Caulfield, Smullen, & Talbot, 2001). The principal-agent theory states that agencies operating on the basis of performance criteria can be monitored more objectively and can run more efficiently (Pollitt et. al., 2001). Agency structures in the developing countries can enable them to operate more autonomously in a businesslike way with limited interference from the political entities in their daily affairs (Devas, Delay, & Hubbard, 2001).

1.2 Brief Introduction of Key Concepts in this Study

In this section, we will shortly introduce the three main concepts in this thesis: agencies, (managerial) autonomy, and (departmental) control.

1.3 Agencies

The structurally disaggregated entities are termed as agencies, which operate at an arm's length from their parent ministry or department (Pollitt et al., 2001). Agency formation means the creation of autonomous organizations to deliver government programs in place of the conventional bureaucratic structure. In their capacity of being an independent unit, agencies carry out various public tasks, such as public service delivery, market- and policy sector regulation, and policy implementation. They often function in a businesslike manner, rather than as a totally bureaucratic public entity (Talbot, 2004a). Agencies are considered and expected to be flatter organizations with lesser pressures exerted from the politicians on routine operational matters, policy implementation, and finance and personnel-related issues, than the typical ministry or department (Verhoest et. al., 2012).

The agency model stands in contrast to the traditional integrated bureaucratic model as it creates entities that combine autonomy, expertise and specialized tasks in a narrower policy domain (Majone, 1997). Under the conventional model, public sector organizations are organized as integrated government services, carrying out functions of policymaking, service- delivery and regulation within the same organization and under direct ministerial control. The agency form represents single-purpose organizations, whereby specific tasks of policy formulation, service delivery, and regulation are assigned to specific agencies at arms' length of ministerial control (Pollitt et al., 2001). It involves the horizontal separation between agencies allocated with different tasks as well as vertical separation between agencies and ministries (Boston et al., 1996). Such organizational forms create complexities in managing them, thus making coordination inevitable in order to achieve intended objectives of creating disaggregated specialized autonomous organizations.

The practical purpose of the creation of the single purpose agencies is to diminish direct political control and to enable more professional management styles (Peters, 2001). Thus, depoliticizing the public sector is one of the envisioned outcomes of the creation of autonomous agencies (Pollitt et al., 2001). However, independence and autonomy do not suggest complete freedom. Control by oversight organizations persists through checks on outputs and outcomes which are assessed against performance objectives identified by those hierarchically superior oversight organizations. Agencies cannot be considered totally independent, as the political executive or minister of the overseeing ministry is accountable and politically responsible for the agency (Christensen & Lægreid, 2006). The decentralization of organizational structures is coupled with new systems of financial accountability and performance monitoring. This is necessary as weak control mechanisms together with enhanced managerial autonomy might result in corrupt activities by agencies. Thus, especially in developing countries, control systems are necessary conditions of agency governance.

1.3.1 Managerial Autonomy

In research on managerial autonomy it is often stressed that it is a multifaceted issue (Verhoest et al., 2004). Autonomy refers to the extent to which agencies, (including its governing board) can take decisions independently by itself, without prior consent from any overseeing government entity. The autonomy granted to agencies involves at least three different dimensions. The first is autonomy in human resource management, both at a strategic and operational level. The second is financial autonomy. The third is policy autonomy, which refers to both policy development and policy implementation (Verschuere, 2009). Semi-autonomous agencies have varied levels of autonomy within the same or different national contexts.

Managerial autonomy refers to the right to take independent decisions about personnel and financial management matters, without prior approval of the minister, parent ministry, or parent department. Such decisions pertain to the use of resources both at operational and strategic levels. Moreover, policy autonomy refers to another discretionary aspect of decision making over issues of policy implementation and policy instrumentation (Verhoest et al. 2004). The legal status, state of financial dependence or independence, and the way in which a public sector entity is structured, are major determinants of its decision-making power (Christensen & Laegreid, 2001, Verhoest et al., 2004). Another aspect of policy autonomy is the influence and involvement of agencies in the formulation of new policies (Verschuere, 2009). The literature on agency research conducted in different countries presents varied forms and degrees of each dimension of autonomy, dependent on various factors. Several studies indicate that formal autonomy to render managerial decisions granted to agencies under rules, regulations, and statutes appear to be different from the actual autonomy they have or perceive to have (Verhoest et al., 2004; Yesilkagit & van Thiel, 2008).

1.3.2 Control of agencies

Control of autonomous bodies by the ministry, parent department, ministers or cabinet is an issue which arises parallel to their creation. Ministerial control may be exercised in a variety of ways. With control, we refer to the mechanisms and instruments that governments use to influence the agency's behavior and to steer agencies in a way that they achieve government objectives (Kaufmann et al., 1986;

Roness, Verhoest, Rubecksen, & MacCarthaigh, 2008). Public sector organizations were traditionally controlled through stringent rules, regulations, and standard operating procedures which guided and influenced policies, decisions, and actions of these entities.

As with autonomy, control is a multifaceted issue. We can distinguish between four types of control: ex-ante and ex-post control and structural and informal control. These types of control will be discussed in the upcoming paragraphs.

Ex-ante control directs public sector entities by focusing on the choice and use of inputs and results to be delivered. The emphasis is on the formulation of rules, regulations, and standard operating procedures. For agencies ex ante controls require that parent ministries, departments or concerned ministers formally approve of their decisions before they execute them. Sometimes the controlling authority also has the power to reject decisions taken by the autonomous agencies (Verhoest et al., 2012).

Ex post control implies a formal performance contract which acts as a guideline to achieve targeted objectives and related goals. Such a system of control is based on performance reporting which is ultimately translated into performance related sanctions or rewards. This type of control is performance and output oriented and uses corrective actions to achieve intended targets and goals (Verhoest et al., 2012). Ex post control is associated with the doctrine of New Public Management. NPM suggests that ex post controls result in more conscious organizations, by specifically focusing on their performance output which should lead to improved and efficient public sector organizations. The NPM-model of agencification believes in providing elevated levels of autonomy in combination with a mechanism of performance contracting as a means of achieving administrative effectiveness and efficiency (Pollitt et al., 2004; Talbot, 2004). This begs the question, which is also part of this thesis, on how to strike a balance between autonomy and control.

Structural control is the third type of control exerted by central governments. This involves for instance the appointment of the top management of the agency or the composition of the executive

board. Structural control also involves the parent departments' power to devise specific organizational structures or procedural constraints through which agencies are de facto controlled (Miller, 2005)

In formal models of governance, these three types of control are often present, although in varied forms. However, in practice, agencies are also controlled via informal networks. This happens everywhere but not to the same extent. In some countries, especially in developing nations, informal forms of control exist and may be as important as formal controls. In Pakistan, informal political control is said to prevail between the top management and political and administrative heads, which results in an amorphous level of administrative, human resource and financial autonomy, which is the essence of the creation of these independent agencies. When the political elites and agencies' administrative personnel interact with each other with the intention of social networking, this creates informal channels of control which might be in violation to its formally structured forms of interaction. Through informal control politicians draw on personal relations and may capture power and privilege (Christensen & Laegreid, 2006). Informal activities spring up within formally structured public organizations as a result of the perceived dysfunctionalities of the bureaucratic principles of rationality (Adler, 2016)¹.

Furthermore, to achieve the merits of autonomy, measures and instruments of control need to be defined in terms of maximizing agencies performance (service delivery quality, efficiency, and innovation). (Verhoest et al., 2012). Some practitioners recommend a high degree of managerial autonomy and a control mechanism such as a performance contract to co-exist in order to have efficient and effective administration in government organizations (Pollitt et al., 2004; Talbot, 2004).

1.4 Statement of Problem and Research Objectives

Currently, Pakistan is facing a dilemma at its politico-administrative front. Various public reform efforts are underway with the purpose of improving efficiency and performance, and ultimately the quality of service delivery (Iqbal, 2014); Haque, 2004). However, there still appears to be a wide gap between the implementation of reformed public policy measures and the intended outcomes. Although the increasing

¹ See also <https://informalpolitics.org/over> on informal politics in Asia.

number of agencies in both developed and developing nations is an outcome of the NPM-led public sector reforms initiated in the early 1980s, agencies in Pakistan have been mushrooming all through the post-independence era until today in various forms. This wave of reforms was propagated by international donor organizations (IMF or World Bank) (Pratama, 2017). The emergence of agencies of different types compels practitioners and academics to study the consequences and impact, and enlighten the politicians and bureaucrats about aspects of autonomy and control in practice as influenced by contextual factors. Although the autonomous agency model is based on the doctrines of structural separation, enhanced managerial autonomy along with accountability and checks and balances, this might not improve organizational performance and efficiency in practice. The effects of agencification are contingent upon various conditions, such as the tasks performed, political salience but also socio-cultural aspects, the politico-administrative context and historical legacies and national trajectories (Thatcher, 2002). The specific context in Pakistan will affect how the generic agency model works in practice in Pakistan.

There are various reasons to study the process of agencification in Pakistan. The first is that the reform process is structurally comparable to agencification in western countries and is in part stimulated by international donors, yet the effects of the process may be different in different circumstances. This study is the first to gauge the effects of this important reform trajectory in Pakistan.

Secondly and more specifically, the models of public governance prevailing in many global government sectors are replicated in Pakistan where they interact with the specific local administrative setting and conditions. This makes it relevant to study how this traditionally Anglo-Saxon model of government, developed in the developed world, translates to a developing country and to render in-depth research to unveil the impact and consequences of such reforms. Almost all existing studies of the control and autonomy of agencies have been conducted in European or North American countries (Overman & Van Thiel, 2016). This study aims to analyze the agency-phenomenon in a non-western

context and assesses the extent to which generic theoretical explanations and specific contextual factors shape agency autonomy in Pakistan.

Thirdly, the effects of agencification might not be the same in both developed and developing nations and, thus, the agency model might not be a uniform panacea for all problems and it may be unwise to apply similar solutions to public administration issues in all nations equally. Therefore, in a country like Pakistan, with its colonial heritage, institutional traditions, and cultural norms, it is important to analyze and assess agency practices which have been mimetically applied to public sector entities. Such reform practices should arguably be translated, restructured and redesigned as per national context in order to make them work.

The question of whether reforms in the public sector of Pakistan should be introduced exactly as suggested by consulting firms or international gurus needs to be addressed through arguments based on empirical investigations. A general lesson learnt on the basis of knowledge acquired through review of various research works, is that reform measures should be adopted very cautiously and not purely on the grounds that they are the latest and popular trends amongst the international community (Christensen and Laegreid, 2007). In recent years, the historical-institutional context has regained its significance, thereby rendering country context-analysis inevitable for drafting relevant and appropriate agency frameworks. Thus, findings of this study suggest pertinent measures to improve governance and management of the existing autonomous bodies and the kind of prospective public sector entities to have in Pakistan.

What specific local conditions seem relevant to the impact of agencification in Pakistan? Up front, numerous conditions and developments come to mind. To begin with, Pakistan's public institutions and administrative style embodies a colonially gifted bureaucratic system. The imposition of the NPM-model of agencies adds a new institutional layer to the existing one. On the one hand, the institutions adhere to democratic principles. On the other hand, the bureaucratic principles and administrative structures give room to autonomous action by bureaucrats. As suggested by the bureau-shaping model of Patrick Dunleavy (1991), the autonomy of agencies can be used by bureaucrats as favorable structures for achieving their

short-term self-interests. Such practices are commonly seen in Pakistan's newly evolved autonomous agencies, where personal budget maximization may be preferred over public welfare.

Favoritism is a bureaucratic norm which prevails within the traditional government institutions and the reformed agencies. Pakistan ranks high on international rankings of favoritism (Grim & Finke 2006). The heads of these agencies are usually handpicked by political representatives to serve their mutual interests. Employees at the top managerial level of such organizations are under constant scrutiny of their political masters. For instance, the Federal Government of Pakistan has complete authority to select and appoint heads of the major regulatory agencies such as the National Electric Power Regulatory Authority (NEPRA), the Oil and Gas Regulatory Authority (OGRA) and Pakistan Telecom Authority (PTA), which regulate the power sector and the telecom companies. The telecom regulatory authority was being run by an acting chairman since October 2013, and the chairman of NEPRA was appointed by the Prime Minister of the country after being recommended by the selection board (see www.pildat.org). Members of their chief executive bodies are another source of influence on their independent decisions and ultimately impede their functioning.

Such contextual factors inhibit the realization of the reform efforts. Under these local circumstances, how can such organizations created under the NPM led agency model achieve the objective of operating as result-oriented, autonomous entities having a fair degree of accountability, transparency, and control by the overseeing body?

This study unveils the phenomenon of agencification in Pakistan, covering the history of the creation and governance of semi-autonomous and autonomous agencies in the specific context. Its focus is on disclosing their legal framework, identity, and environment, the capability to render specialized tasks assigned, assessment of their level of perceived autonomy regarding their competency to take policy and operational HRM and financial management decisions.

The study is based on a common research project on public sector organizations replicated in different European and Non-European countries under the platform of Comparative Research into Current Trends in Public Sector Organization (CRIPO) network (see Verhoest et al., 2012). Pakistan

has partnered with this network to comprehend the current trends in its public sector. This study is structured around two major areas. Firstly, it determines the level of autonomy agencies are perceived to have, and the kind of control and coordination exercised by the cabinet, the minister and its ministry or department towards semi-autonomous bodies at the federal level. Secondly to disclose the type of agency model autonomous bodies are practicing in Pakistan as perceived by the managers.

This study aims to analyze and explain the struggle over autonomy and control of governance and management of public sector organizations in Pakistan. Theoretically, the study of public organizations has drawn on different schools, but with a dominance of theories linked to a broad neo-institutional approach. This study intends to confront different theoretical approaches such as public choice theory, principal-agent theory, and institutional theories as to their explanatory power with respect to the governance of public organizations (agencies in this case). Many of these theories pay lip service to the relevance of the socio-cultural and administrative context of agencies, yet most of these theories implicitly take the relatively stable and, in global comparison, relatively homogenous western settings as given. Almost all existing studies of the control and autonomy of agencies have been conducted in European or North American countries. This study aims to analyze the agency-phenomenon in a non-western context and assesses the extent to which generic theoretical explanations and specific contextual factors shape agency autonomy in Pakistan.

1.5 Research Questions

Considering the current gap in literature and empirical studies on the prevalent trends in agencification in Pakistan as stated earlier in this chapter, the researcher structured a set of research questions which revolve around a central question:

How can the autonomy and control of Pakistani agencies be explained?

Conceptual questions

1.1. What is generally understood as ‘agencies?’

1.2. What is ‘autonomy’?

1.3. What is 'control'?

This thesis explores two different explanations for autonomy and control of Pakistani agencies. Therefore, the two following questions guide the development of the theoretical framework:

2.1. Which generic theoretical framework/frameworks possess an explanatory power for the control and autonomy of agencies in Pakistan, on the state-level and on the agency-level?

The generic agency-model is based on assumptions about the effects of specific structural factors on agencies. These have been studied in many countries and the results have been summarized in for instance Verhoest et al (2012). This first theoretical question focuses on generic, decontextualized explanations.

2.2. Which contextual factors are likely to affect the steering, control, and autonomy of agencies in Pakistan?

The second research question holds its significance in the potential influence of societal values, norms, cultural inhibitions and attitudes can have on the autonomy and control of public agencies in Pakistan. Secondly, the administrative features of public agencies in Pakistan tend to follow the colonial heritage, making it inevitable for the researcher to study their effects upon the decision-making authority of agency personnel.

To develop these questions, this thesis will proceed along the following steps. We first identify a set of *descriptive* questions which are important to explore the subject. We then describe the main questions regarding *autonomy and control*, the dependent variables in this study. And finally, we focus on *explanatory* questions that allow us to answer the research question.

Descriptive questions: agencies in Pakistan

3.1. How and when was the autonomous agency model introduced in Pakistan? What was the political, social and administrative context at that time?

The thesis will first track the evolution of arm's length agencies in Pakistan historically. This is relevant in order to understand the actual reasons for the specific reform agenda in the country.

3.2. How and what types of autonomous agencies evolved in the past four decades (the NPM era)?

Since agencification is an offshoot of the new public management principle of running public sector organizations, it is important to understand what types of agencies, levels of autonomy and political control have been designed in these disaggregated structures.

3.3. How can the institutional design of autonomous agencies be described?

There are many types of agencies (Van Thiel, 2012). It is important for this study to understand their structural features, such as the legal status, hierarchical subordination, types of tasks, mode of financing, steering and supervision, and their spread along policy sectors. Since the institutional features of agencies are the potential parameters that explain the actual state of managerial autonomy and control by the governing authority, it is imperative to explore them in detail.

The three descriptive questions, 3.1, 3.2 and 3.3 are summed up in a more comprehensive one and questioned as;

How autonomous are the government agencies at the federal level? And how are they being steered and controlled?

Descriptive questions: autonomy and control

4.1. How is the autonomy of the government agencies at the federal level perceived by agency stakeholders?

This question focuses on two dependent variables. It is centred on exploring the level of managerial autonomy agencies in Pakistan have. The literature on agency research conducted in different countries presents varied forms and degrees of each dimension of autonomy, dependent on varied factors. Several studies indicate that formal autonomy to render managerial decisions granted to agencies under rules, regulations, and statutes appear to be different from actual autonomy they have or perceive to have

(Verhoest et al., 2004; Yesilkagit & Van Thiel, 2008). The researcher with this question aims to unveil the prevalent degree of discretionary power granted to autonomous bodies in Pakistan to take decisions pertaining to administrative, financial and policy matters. With this question, the researcher also intends to find out the degree of variability that exists between managerial autonomy between different agencies, both at the strategic and operational levels of decision making.

Explanatory questions: generic and specific explanations of autonomy and control of agencies.

As noted, this study investigates both generic explanations of autonomy and control, on the agency-level and on the state-level, but also contextual explanations.

5.1. To what extent do agency-level factors explain variance in autonomy and control of agencies in Pakistan?

Here we focus on generic institutional variables that have been used in prior research to study autonomy and control of agencies (Verhoest et al., 2012). This includes salient variables such as the age of the agency, its size, budget, policy sector, legal status, and type of task.

5.2. To what extent do contextual factors in Pakistan explain variance in autonomy and control?

This research study empirically investigates the above questions, with the objective to provide reasons for the perceived state of autonomy and control in public agencies. Secondly, based on the empirical evidence, it proposes context-specific principles to govern the federal public agencies in Pakistan.

1.6 Significance of the Study of Agencies for Pakistan

In Pakistan, although formal autonomy is granted to agencies created under a certain act, statute or ordinance, its governance model still relies on traditional ways of control and regulation. At the federal government level, around 438 organizational entities operate outside their respective ministries, having the status of attached departments, semi-autonomous bodies/autonomous bodies, registered companies or

statutory corporations (ncgr.gov.pk). Such organizations are still being formed, on a continuous basis until today, more often at the provincial level. Setting up of the Punjab Agriculture Food and Drug Authority as a totally autonomous body after its approval by the Chief Minister Shahbaz Shareef is an example of such entities (CM approves Agriculture Food, Drug Authority, 2016). However, performance-oriented checks are far from being implemented in Pakistani agencies (Jadoon et al., 2012). Therefore, this research study intends to unveil various dimensions and associated levels of perceived autonomy and control in Pakistani organizations (agencies) named as autonomous bodies.

Another prominent factor that might be considered to have a robust impact on the autonomy and control trends of agencies is its political salience (Koop, 2011). Those organizations which play a crucial role in a certain policy domain: in our case the agencies in the energy sector (Ministry of Water and Power), the security sector (Ministry of Interior and Narcotics Control), and the Ministry of Finance, Revenue, Economic Affairs, Statistics, and Privatization are the favorite and seem to be most politicized. Pakistan's national economy majorly rests upon agriculture and subsequently industrial development and the importance of such public sector regulatory or service delivery authorities, operating under the water and power ministry, cannot be over-emphasized. In the wake of continuous energy reform programs, being introduced, Pakistan has not been able to emerge out of its energy crises. This puts a big question mark on its current NPM-oriented reforms. The existence of modern agency structures do not by themselves constitute sufficient guarantee of achieving efficient and effective public tasks.

In the last few decades, Pakistan experienced the creation of many autonomous and semi- autonomous bodies, both at the central and provincial level. So far, we still have not been able to justify the number of resources spent via achievement of performance targets (Rizwan & Jadoon, 2010). Pakistan's political institutions are weak and bureaucratic notions breed centralized power structures. The formal institutions of governance, interacting within the socio-cultural context, have produced a political and administrative culture of inefficiency and corruption (see Transparency International on corruption in Pakistan). Therefore, to counter the growing ills of corruption and unsatisfactory service delivery in its political and bureaucratic machinery, this study on control and autonomy of agencies, is important.

1.7 Contribution to the Academic Literature

This research contributes to the agency debate occurring at a global level across developed, developing and transitional economies, providing arguments for a context-specific design of government structures. This study unveils the implications of the western infused agency format in Pakistan and contributes to the emergence of indigenous doctrines to govern agencies functioning under ministries. Pakistan being a post-colonial society has its own way of governing the public sector organizations which might be in total contradiction to the modern world public management practices. As narrated in today's academic agency literature, the divergent formula of public sector management is the key to successful public service delivery.

Under the public sector reform effort, various countries are experiencing alternate service delivery (ASD) models rather than relying on traditional models for community services. Ford and Zussman (1997: 6) define 'Alternative Service Delivery' as: "A creative and dynamic process of public sector restructuring that improves the delivery of services to clients by sharing governance functions with individuals, community groups and other government entities."

Such a hybrid mechanism of service delivery has become popular in many OECD and commonwealth nations and is also being witnessed in the developing countries as an imitation of the contemporary restructured organizational design in the developed world. However, the established cultural traditions and path dependent features of colonial states like Pakistan do not always provide a congenial and supportive environment for improved and efficient governance (Soomro, 2014; Awal & Mollah, n.d.). Thus, this study discloses those factors that affect how generic models of service delivery work out in specific context; in this case in Pakistan. This leads to the question, whether public sector organizations in Pakistan or other developing nations should be structured as replicated agencies models as in the developed nations.

1.8 Practical Implications of the Study

A major contribution of this study is to provide relevant policy update, suggest procedural or structural changes and indigenize foreign models and meet contextual requirements. Practical implications to improve the governance and management of public organizations are drawn from the findings of this study, as suggested by the researcher in the concluding chapter. Thus, enabling policy makers and public administrators to deal with the implications of agencification in Pakistan and have a more result-oriented approach towards the governance of agencies. So far, numerous studies have been conducted in various western, developed nations to assess the nature and degree of autonomy and control mechanisms of public organizations (Overman & Van Thiel, 2016) created as a reaction to the distrust, inefficiency, unaccountability, and delayed public service delivery of unified government entities. However, this study is one of the first of its kind to address the suggested area of research, as seldom has any study at a national level delved into perceived autonomy and control and reasons for its variation in particular agencies.

1.9 Thesis Outline

The first chapter of the manuscript begins with an introduction to the topic of the study, an explanation of the variables and concepts under study, the statement of problem, research objectives, its theoretical background and questions addressed its significance and contribution to academic literature as well as its practical implication and finally end with the research methodology adopted. Chapter 2 provides an evolutionary background to the concept of agencification in an international perspective. It provides reasons for the widespread emergence of NPM led agency structures at a global level. It further on provides an overview of agency reform practices in the eastern world. This chapter also presents the drivers of agencies in various eastern and western countries. Chapter 3 presents a description of the concepts of autonomy and control of agencies and their various forms. The fourth chapter presents different theoretical frameworks/models of agencies. It also discusses the relevance of contextual factors. Chapter 5 comprises of

the research design framed and the methodology adopted in this sequential explanatory approach to a mixed method study. The sixth chapter begins with a discussion on the relevance of the Pakistani context on agency governance. It addresses the second theoretical research question; which contextual factors are likely to affect the steering, control, and autonomy of agencies in Pakistan? Chapter 7 narrates the empirically generated realities of Pakistani agencies in the context of their managerial autonomy and political/ministerial control. It presents the institutional design and landscape of Pakistani agencies. Chapter 8 unveils the effect of agency features on their autonomy and control. Chapter 9 describes the managerial autonomy of agencies studied from a qualitative perspective. Chapter 10 expresses how stakeholders themselves explain agency autonomy. Chapter 11 provides a contextual explanation to agency autonomy. The thesis ends with a conclusive note presented in the last chapter of the thesis on the perceived state of managerial autonomy and control of public agencies in Pakistan. It also narrates the effects of state-level and agency-level features on the managerial autonomy and control of agencies under study. The limitations, strengths and weaknesses of the study are also part of this chapter. It also comprises of the research implications and suggests future research direction. This chapter ends with a provision of policy implications for the model of governance in the Pakistani public sector.

Table 1. 1 Research questions addressed chapter-wise

Chapter no.	Research Question/Topic
PART A: CONCEPTS AND THEORY	
2	What is generally understood as ‘agencies?’
3	What is ‘autonomy’? And what is ‘control’?
4	Which generic theoretical framework/frameworks possess an explanatory power for the control and autonomy of agencies in Pakistan, on the state-level and on the agency-level?’
PART B; RESEARCH STRATEGY AND CONTEXT	
5	Research strategy
6	Which contextual factors are likely to affect the steering, control, and autonomy of agencies in Pakistan?’
PART C: QUANTITATIVE DESCRIPTION AND EXPLANATION	
7	How autonomous are the government agencies at the federal level? And how are they being steered and controlled? (addressed through survey)
8	To what extent do agency-level factors explain variance in autonomy and control of agencies in Pakistan? (addressed through survey)
PART D: QUALITATIVE DESCRIPTION AND EXPLANATION	
9	How is the autonomy of the government agencies at the federal level perceived by agency stakeholders?
10	How do the stakeholders explain the differences in agency autonomy?
11	To what extent do contextual factors in Pakistan explain variance in autonomy and control? (addressed through in-depth interviews)

PART A: CONCEPTS AND THEORY

2 The Global Evolution of Agencies

This chapter provides an answer to the first conceptual question, what is generally understood as ‘agencies?’ It begins by unfolding the meaning of the agency concept as it emerged in the global scene of public sector management. It also describes how the agency model developed in the international world. It talks about how this model evolved from the European countries and has spread outwards towards other countries. It aims to set the stage for a discussion on agencification by providing meaning, logic, causes, effects, and repercussions of the agency program that emerged as an international reform effort over a period of decades. It portrays the evolutionary process of the global phenomenon of agencification and diversified agency experiences of various countries. In short, this chapter provides a contextual background to the process of agencification in Pakistan, by analyzing the generic agency model and by drawing lessons from the adoption of this model in several post-colonial developing countries.

2.1 What are Agencies?

In the last three decades, a strategy of New Public Management emerged as an international reform practice (Kettl, 2005). This included the formation of structurally disaggregated entities, which operate at an arm’s length from their parent ministry or department, termed as agencies. This restructuring of the government machinery aimed to separate roles of policy framing and operations. And agencies are considered to be the epitome of the autonomous operative tool of the central government (Pollitt et al., 2001). Agencies are a certain form of public organization, created to have an efficient and effective public service delivery and regulation, which was compromised under the traditional hierarchical centralized government structure. Agencies are also defined as tools to unbundle the bureaucracy and because of their more flexible character they are expected to be more performance – oriented public entities.

According to Greve et al., (1999) and Flinders (2004b) agencies are described variably as “nondepartmental public bodies, hybrids, Quangos, fringe bodies, quasi-autonomous public organizations and distributed public governance”. Another definition of an agency provided by Pollitt and Talbot (2004; see also Pollitt et al., 2004) is: “an agency is a structurally disaggregated body, formally separated from the

ministry, which executes public tasks at a national level on a permanent basis, is staffed by public servants, and financed mainly by the state budget and is subject to public legal procedures”.

Agencies are public sector organizations structurally separated from the government offices but “close enough to parent ministers/secretaries of state to alter the budgets and main operational goals of the organization” (Pollitt, Talbot, Caulfield, & Smullen, 2004, p. 10). According to Thynne (2004), agencies are “executive bodies, as well as those statutory bodies which are not incorporated and do not have responsibilities that rightly distance them from ministerial oversight and direction”.

Definitions vary across countries and the concept shows substantial variation across countries. This disparity prevails because of country-specific cultures, political systems and legal structures (Verhoest et al., 2010). In the academic literature the commonly used alternative names for such entities in different parts of the world are non-departmental public bodies, quangos or quasi-autonomous public organizations (Christensen & Lægneid, 2006; Roness et al., 2007).

Generically defined, agency structures are government organizations functioning at an arm’s length from their parent ministries, rendering public service delivery, regulatory and advisory functions. (Pollitt et al, 2001). Being at an arm’s length from the central government serves the purpose of depoliticizing the public sector entities. Moreover, the break-down of larger bureaucratic setups into smaller autonomous units renders them more manageable in terms of both quality and efficiency of service delivery. Such autonomous organizations provide managerial autonomy to managers and make the workers empowered, thus making it possible to hold them accountable for their decisions and actions (Talbot, Pollitt, et al. 2001). Government entities involved in reform efforts believed that such newly structured agencies carrying out specialized tasks could be managed more efficiently and render improved service delivery quality by being more connected and in proximity to the citizens. Moreover, making distant agencies responsible for service delivery would lead to transparent activities in a professionally managed organizational environment.

The agency, which is an administrative body, enjoys some degree of autonomy in decision making and policy implementation from its ministerial body. Despite being independent, the parent

ministry is held responsible for the agencies' activities. Agencies employ public servants to carry out tasks at a national level with a budgeted amount granted by the central government and functions under public law (cf. Pollitt & Talbot 2004).

Pollitt et al. (2004, p10) defines an agency as an organization having either or all of these characteristics.

“a. Agencies are public law bodies, formed on the basis of public law; a statute, law, constitution or ministerial/executive order. The basic features of the agency are predominantly provided in the document/instrument which forms the basis of its creation.

b. These entities are structurally disaggregated from other organizations or from units within core departments (parent ministries)

c. They have some capacity for autonomous decision-making granted through its legal statute/law or executive order, regarding management or policy decisions.

d. They are formally under at least some control by ministers and departments. There exist a formal reporting and accountability relationship between them and their overseeing body.

e. They have some expectation of continuity over time; and

f. They have some resources (financial and personnel) of their own.

g. Private or private law based not-for-profit organization established by or on behalf of the government like a foundation, trust, and charity”.

Under the new public management agency model, tasks of policy formulation, service delivery, purchasing and regulation which were earlier performed in an integrated manner by individual departments are split up and assigned to specific agencies. These agencies are thus single purpose organizations, offering horizontal specialization both within and amongst public entities (Boston et al., 1996)

Based on the discussion in the earlier part of this chapter, to sum up the answer to the research question, ‘What are agencies?’ It can be stated that agencies are government organizations operating at an

arms' length from their parent bodies. These entities are involved in specialized tasks, such as public service delivery, regulatory, adjudicatory or advisory functions. Such types of organizations are considered to provide discretion to managers to take decisions independently for various human resource, financial and policy matters. Under this arrangement they are held accountable for their decisions. Moreover, agencies are single-purpose organizations formed under public law, a statute or executive order

2.2 Agencification: Its Emergence in the International Context

Now that the central concept of 'agencies' has been defined, the remainder of this chapter will review the developments of agencies both in OECD-countries, where the trend originally emerged, as well as in non-OECD countries, where the trend spread. This is relevant, as the process of the creation of agencies in the public sector has been witnessed by various government regimes all over the world from the early 20th century onwards. Since then these autonomous organizations have risen in number, and they exist in many countries in different legal and structural forms (Flinders, 2004). By reviewing developments in the various countries, we will be able to contextualize the developments in Pakistan and also to refine our expectations as the impact of generic and local-specific factors on autonomy and control of agencies in Pakistan.

Agencies – an old idea or just a new version?

Agency structures existed in the past and are still prevalent in various economies of the world in varied forms (Wettenhall, 2005). Executive bodies of different types did exist prior to their formal emergence as a result of NPM reforms from the 1980s onwards (cf. Greve et al., 1999; OECD, 2002; Christensen & Laegreid, 2003; Pollitt & Talbot, 2004). In some western countries such as Sweden, Germany, or the US, delegating public service tasks to public agencies is a longstanding tradition, whereas other countries like the United Kingdom, the Netherlands, or Belgium have more recently become a part of the agencification movement and experienced a rise in the number of such

organizations. In the European setting, they were mostly created as executive agencies with legal status, operating independently from their parent ministry with some degree of managerial decision-making authority, and were directly monitored and steered by the parent ministry or its political representative. (Pollitt et al., 2004, p. 10). In presidential systems, such as in the United States of America, federal agencies are under the direct scrutiny of the president and its two congress house (Verschuere & Bach 2012).

During the period between the 1980s and 1990s, a government sector reform movement was launched at all governmental levels throughout most developed countries. There were structural changes in public organizations and policy implementation tasks were placed at arm's length (Pollitt & Bouckaert, 2004). The agency trend is not just a practice limited to the west; semi-autonomous bodies are seen to exist in transitional economies like Latvia, Tanzania and in many Asian countries like Japan Thailand, Hong Kong, and Pakistan as well (Pollitt & Talbot, 2004). Though they exist under similar names, they may widely differ in practice and meaning because of varied national politico-administrative contexts.

Contemporary agency-like structures evolved under the administrative reform label of NPM, such structurally disaggregated units of the ministries were launched outside their unified bureaucratized domains, thus serving multiple specialized tasks of service delivery(offering training, licensing, registration), regulation and inspection, research, advisory and many more (see Pollitt, Talbot, Caulfield & Smullen, 2004). The primary intention behind this reform movement initiated under the NPM drive was to make policy implementation separate from policy framing. NPM, as a model of governance, forms the essence of these autonomous bodies delegated with autonomy and a contract-based mechanism to control and steer the disaggregated bodies.

Agencies with varying degrees of (managerial) autonomy and governance structures proliferate across various countries within the context of New Public Management (NPM) reforms (Christensen & Lægreid, 2006; Lægreid & Verhoest, 2010; Pollitt & Talbot, 2004; Verhoest, Van Thiel, Bouckaert, & Lægreid, 2012). These organizations are present in different forms across nations, with varied levels of autonomy and control. Agencification has become a ritual in the public sector of several countries. An analysis of the life cycle of agencies indicates that the creation of new agencies is an on-going process in various parts of the

world, whereby a limited number of agencies were also abolished. However, in some cases, already existing agencies assumed a new status and structure (James & Van Thiel, 2011).

In later years, particularly after the Global Financial Crisis, the global agencification process lost momentum and was even reversed in some countries. Although new agencies kept on erupting, existing ones were also closed, merged or taken back into their core departments. This pendulum-like movement, back and forth between fragmented and consolidated structures is a characteristic of the post-NPM period (Christensen & Lægreid, 2007). Further-on, an increasing number of studies suggest that the post-NPM movement is a reaction to the fragmented public sector institutions, which took inspiration from the NPM reforms (Pollitt, 2003b; Pollitt & Bouckaert, 2004; Boston & Eichbaum, 2007; Gregory, 2006; Halligan, 2005; Christensen & Lægreid, 2007a; Bouckaert et al., 2010).

In the post-NPM era, there has been a global movement away from disaggregation and increasing efforts to bring a fragmented state together again through various whole-of-government initiatives and an enhanced focus on horizontal coordination. In this period, many countries that were leaders in adopting NPM induced strategies emphasized ‘whole-of-government’ and ‘cost-cutting’ approaches and stressed on building coordination between policy and management at a horizontal level between different government entities (Bogdanor, 2005; Gregory, 2006; Halligan, 2006; Richards & Smith, 2006; Christensen & Lægreid, 2007).

Although the pendulum has swung back; many countries still have numerous agencies performing important government functions.

2.3 Drivers of Agency Formation

The global process of agencification has been sped up by several factors.

To begin with, one reason that agencies spread was that the model was adopted by policy brokers such as consultants at the national level and international bodies. Reform models of the international community were imitated or adopted on the advice of international governing organizations, specifically the international consultants. It can for instance be said that the influx of agencies in the

last decades is attributed to the criteria to become a member of the European Union (EU), specifically for regulatory tasks (Verhoest et al., 2012).

Additionally, the OECD is also a major catalyst for the initiation of agencies in many countries. The OECD strongly advocated the establishment of regulatory frameworks in many countries by promoting the mechanism of performance contracting to control and measure performance (Carter, 1991: 85-87). A logical argument behind performance contracting was to enable agencies to operate within a pre-determined agreement negotiated between the principal (ministry) and the agent.

Researchers further report various task-specific reasons behind agencification. This included the need to distance public functions from direct ministerial involvement or to bring in expertise and specialized personnel from the private sector, academia or any other field pertinent to the policy sector in which the agency was housed (Jann et al., 2008). Another task-related motive is to have finance and HRM related autonomy within these public entities. An unusual reason revealed through the literature on agencification was to acquire an increased staff size and associated budget which otherwise could not have been allocated to the traditional government department (Verhoest, McGauran, & Humphreys, 2007). And certain other motives behind agency creation included the symbolic value of autonomous agencies to be the latest panacea to central government's bureaucratic ills (supposedly inefficient and ineffective practices). Moreover, within the realm of public management reforms, agency formation is observed to be a popular and fashionable trend (Christensen & Lægreid, 2006).

The establishment of autonomous agencies aimed to improve government's performance. However, the unbundled governance also opened opportunities for political entities to appoint their favorite representatives as agency directors, members of their executive boards and influence agency operations through them. Agencies could become platforms for political patronage (Van Thiel & Yesilkagit, 2007). Agency policies thus also serve political ends (Pollitt et al., 2004, p. 20). Moreover, agencies could serve as instruments used in political transactions; whereby new agencies were created or existing ones reorganized to please political ally's as well as opposing parties.

On a more ideational level, the rise of agencies can be theoretically attributed to public choice theory, (Boyne, 1998) which presents the fact that politicians opt for such public entities since it provides them a platform through which they could introduce policies favorable to their voters (Dunleavy, 1991). Secondly, they could place their favorites on the executive boards of the agencies and have their continued electoral support through political patronage. Another hidden motive of the reformers to have such organizational structures operating at an arm's length from their parent departments was to avoid being directly accountable for any ill performing agency.

An additional theory that supports the adoption and spread of agency-like structures is the concept of isomorphism, as presented by DiMaggio and Powell (1983). Institutional isomorphism is an outcome of three different mechanisms: coercive, mimetic and normative isomorphism. In some situations, either of the three might be responsible for organizational reforms or all three might be simultaneously responsible for it (DiMaggio & Powell, 1983). When reforms are enforced upon national governments by money lending international organizations as conditionality to financial aid and other resource dependencies, it is taken to be an outcome of coercive isomorphism, for instance through the European Unions (EU's) demand (Mizruchi & Fein, 1999; 657). In both western and eastern democracies, agency-oriented reform ideas are injected through pressure exerted by international platforms such as OECD and EU. Sometimes government organizations are not given a choice but must adopt structural changes as very strongly recommended by upper echelons of the government (political agents), whether national or international. While in some other cases reform models are legally prescribed through acts and governmental or presidential/executive orders. When organizations simply adopt a reform model of a successful organization, it is presumed to be a presentation of mimetic isomorphism. Organizational forms that are apparently successful get copied by other organizations within a country or across the borders. Various national governments follow similar reform practices, purely to follows ideas successfully applied by other organizations in their close network of organizations or governments. Diffusion of NPM oriented agencification practices within networks of various governments' leads to its dissemination across the public sector of many

countries in Europe. As stated by Geradin and Petit in 2004, ‘the EU’s appetite for creating new agencies seems limitless’.

2.4 Agencification in Western Countries

The core ideas of agencification are comparable within NPM yet national practices differ considerably, as a result of administrative traditions and national cultures. To understand how the same idea can evolve into different national practices we shortly review experiences in the original OECD-contexts of agencification and its subsequent spread to non-OECD-countries.

We discuss some of the developments in countries in the western hemisphere that were in the epicenter of the worldwide agencification trend.

The **United Kingdom** stands out as one of most interesting cases of agencification, as the country embarked on an ambitious reform by the end of the 1980s which was later largely reversed in a “bonfire of the Quango’s” (O’Leary, 2015).

The idea of the establishment of the ‘Next Step’ agencies in the UK was proposed by the Efficiency Unit to the Prime Minister, which proposed that executive functions of its government should be performed by agencies within a policy and resource framework as given by its central department. This was initiated to render improvements in the management of the United Kingdom’s government (Efficiency Unit, 1988). Under this format, agencies were to be headed by chief executives and for a fixed tenure. According to Kemp, (1990), this new administrative arrangement was a “move from management by the command to management by contract”. Agencies under the ‘Next Step’ program operated at an arm’s length from the central political body but without any alteration in the accountability which would come through ministerial responsibility (Hennessy, 1989:621).

Within a time period of ten years, agencies developed extensively in the U.K. In the initial years of the 21st century, more than seventy-five percent of the civil servants worked in almost 138 such agencies (James, 2003). This agency idea was emulated by other nations as well.

Such 'Next Step' oriented agency networks have been extensively launched in many Anglophone and non-Anglophone countries. In the 1990s, political actors in the **United States** were attracted to this agency concept from the United Kingdom and New Zealand. American reformers adopted the agency concept as an alternative strategy to manage the public sector more effectively and at lower costs (Osborne, 1996). Many service delivery functions at the federal level were reorganized to performance-based organizations, commonly known as PBOs. These organizations reduced stringent laws, regulations, and policies that were seen as hurdles in the way of effective and efficient management. Executive managers of such PBOs were to be hired on a contractual basis and remunerated according to their performance. The influential David Osborne was one of those who advocated the conversion of federal bureaucracies to PBO's (Osborne, 1996: 97-8; Pollitt & Talbot, 2004).

A little to the north, in **Canada**, the agencification process took on a somewhat different form which was less in correspondence with New Public Management (Bouckaert & Peters, 2004, 24; also Pollitt, 2004; Graham & Roberts, 2004; Aucoin, 1995, 1996). Inspired by the British 'Next Steps initiative, the Canadian Federal Government initiated the process of agencification towards the end of the 1980s with the creation of Special Operating Agencies (SOAs). These organizations were a model of the Next Step British agency design. By introducing executive agency structures, the Canadian government aimed at improving the management of its federal public service delivery organizations (Aucoin, 2006). Traditional governance structures and accountability and control aspects were not significantly changed so that SOAs had a limited provision of flexibility in their decisions. Their hierarchical system of accountability was still a reflection of the traditional Westminster's model. Although the political heads did experiment with the agency model, organizations created under this format were assigned limited freedom to operate within existing personnel legislation.

Towards the end of the 1990s a new wave of Canadian agencies was instituted as large Legislated Service Agencies (LSAs). This handful of agencies was formed not on the basis of any systematic planned effort by the government, but they were created to address immediate fiscal problems. These service agencies were directed by the ministerial head who was accountable to

parliament. The creation of LSAs is taken to be a result of administrative decentralization. They are more flexible than their traditional parent departments, and comparatively less process-oriented (Perkins & Shepherd, 2001).

In Canada, the reformed organizational structures assumed the ideal agency notions of policy and operations divide. The SOAs were expected to operate with limited ministerial interference having measurable objectives and outcomes (Fitzpatrick, & Fyfe, 2002). Agency forms in Canada were aimed at achieving higher productivity by providing managerial freedom. Another purpose of such agencies was to reduce ministerial intervention in operational decisions of autonomous organizations. Politicians, however, showed no interest in further pursuing this model of public service delivery and regulatory functions (Aucoin, 2001). Since the Canadian reformers preferred to have a ministerial intervention, the creation of SOAs was not extended beyond certain limited governmental functions (Aucoin, 2006).

In **Continental Europe**, the process of agencification was initiated during the mid-1970's, with the establishment of agencies carrying out informational and non-discretionary functions. But as years passed, many European countries experienced the mushrooming of a variety of agencies performing functions of adjudication, regulation and decision making (Verhoest et al., 2012). The purpose of this institutional development was to have organizations that would operate independently from central authorities and to escape political influence in organizational decision making (Busuioc, 2009).

All in all, the implementation of agencies in different European and other affluent countries shows that the generic agency model takes on specific national forms, in interactions with established bureaucratic routines and existing political processes.

2.5 Agencification in Developing Countries of Asia and Africa

Agencification is not just a New Public Management strategy adopted by the western states; it is a reform effort that became a popular trend within the government machinery of many non-OECD countries in the past three to four decades. The Organization for Economic Co-operation and Development (OECD) of 34 member countries was founded in 30 September 1961 with the aim to stimulate economic progress and

world trade. It is a group of mostly affluent countries. They have been stimulating specific policies in non-OECD countries, including governance reforms aimed to improve performance, in effect promoting autonomous agencies. A description of the emergence and practice of agency structures in various non-OECD countries is provided in the discussion below, where we see how generic traits of the agency model blend with specific administrative and cultural traditions in developing countries. Countries in the eastern part of the globe comprise of various agency forms which closely resemble the international standard agency models operating in the west as statutory bodies, state-owned enterprises, regulatory authorities, and executive agencies. However, the nature of actual agency practices differs across the borders and even within, specifically because of local political, cultural and social realities. A common element observed to be one of the driving forces for the adoption of administrative reforms in countries like Pakistan, Tanzania, and Hong Kong are in consequence to the conditionality's imposed by the International Donor Agencies; International Monetary Fund and World Bank upon them for receiving financial aid and foreign assistance (Pratama, 2017). The introduction of Structural Adjustment Programs is another prominent reason for the diffusion of agency type reforms. However, voluntary adoption of the latest global reform trends is also manifested in the east. Political regimes opt for fashionable reform ideas just to prove themselves as competent rulers. This might enhance their credibility and subsequent ruling tenure.

Academic research on the spread of agencies to developing countries in Africa and Asia is rare. We discuss some insights on the spread from the relatively rare available studies on agencification to developing countries which gives good indications of how the NPM-model of agencies is twined with local administrative realities.

When the NPM-agency model was introduced to **Hong Kong** in the 1990s it could build on existing organizational models. These kinds of entities already existed at an arm's length in the pre-1997 colonial times. Therefore, the multiplication of agency type bodies in the past 33 years is a continuation of previously formed organizations assuming the service delivery role of its government.

However, the recorded numbers of agencies show a 60% increase in the post-1980 period (Pratama, 2017). There are about 130 listed government entities that bear resemblance to the Anglo-American administrative tradition (Painter, 2012). Although Hong Kong reformers were open to decentralized managerial global trends, still its government warily adopted principles of agencification as an instrument of public service delivery. After the turn of the century, the creation of agency structures shows a declining trend (Painter, 2012).

Since the 1990s, as a result of the reform efforts in Hong Kong, agencies were allowed to manage the nuts and bolts of service delivery, while the government relied on traditional measures of stringent control by itself (Painter, 2012). These agencies were scrutinized and monitored by keeping a track of their performance instead of focusing on input-based control. Moreover, all kinds of agency structures are financially constrained by the central authorities of the government.

Government agencies in **Tanzania** to some extent also represent a U.K model of executive agencies. The trend of agencification began in 1999, with the formation of seven executive agencies. This figure almost tripled by the year 2005, although at a gradual pace, but started to decline afterward (Sulle, 2012). Extensive public sector reforms were launched in Tanzania in reaction to the conditionalities imposed by the donor organizations (IMF and World Bank) at a time when the country was undergoing a financial crisis in the 1980s. These donor entities demanded that the Tanzanian government adopted liberal-economic policies, as a result of which public service delivery was restructured and decentralized which created numerous executive agencies as part of the reform (Sulle, 2012). Most common tasks rendered by these agencies were either regulatory or direct service delivery. Their primary function was to implement policies developed earlier by parent ministries and they were not involved in any policy framing activity. Officially the agency model in Tanzania is a manifestation of the NPM principle of performance-based control, where agencies were to be managed through performance contracts in place of the traditional input-based control measures coming through the central ministry (overseeing body). However, in practice, it was observed that agencies in Tanzania are not followers of the result-oriented control tools, rather the Government of Tanzania still preferred to follow the traditional input and process-oriented control measures (Ronsholt & Andrews, 2005).

This indicates that agency reforms in Tanzania do not reflect a significant shift towards result-oriented management, as performance-based management systems were not completely embraced by the restructured agencies. Even though result based control measures were not readily and fully adopted by Tanzanian agencies, even when compared to the traditional departmental institutional setups, such entities are more inclined towards output- based management.

Several factors might have contributed to limiting the scope of agencification in Tanzanian public sector. Firstly, political entities in Tanzania do not prefer agency-like institutional structures, as it limits their decision-making capacity (Ronsholt & Andrews, 2005). They have a limited role to play in management decisions, for this reason, the ministers have a negative approach towards the overall strategy of agencification.

However, even though the agency-model was only adopted reluctantly, the internal managerial processes within these agencies do show positive results (Government of Tanzania, 2005; ESRF, 2004). One evident reason for improved managerial processes is self-reliance of these agencies on revenue generation, which motivates the agency- officials to perform when given extra remuneration out of the self-generated income.

Amongst the non-OECD countries adopting large scale agencies, **Thailand** offers a uniquely styled agency model which was launched in 1999. Numerous organizations known as autonomous Public Organizations (APO's) were created through a royal decree, unlike other countries where such entities are formed on the basis of legal/parliamentary laws (Bowornwathana 2012). This system of public sector management was expected to bring about improved bureaucratic performance in Thailand. The Thai reformers took inspiration from British executive agencies and New Zealand's entities. However, the agency-model in Thailand is not a replica of the agencies existing in Britain or other developed nations; it is actually a blend of the original western agency model and Thailand's own bureaucratic and political models. In the Thai state, autonomization is considered to be a transformation of its public sector from a centralized to a decentralized form of government with power being divided amongst various public entities (Bowornwathana, 2006). Thailand has a

bureaucratically dominated polity, where the administration and politics are in the clutches of the elected politicians. These high-level bureaucrats and the elected ministers have manipulated the western model of agencification to sustain their power and authority in their country (Bowornwathana, 2004). In this model, the APO's do not have the flexibility to manage as is envisaged in NPM. Neither do these APO's exist at an arm's length from the central government; it is an integral part of the bundled government. Moreover, these agencies are accountable to the bureaucracy and politicians rather than to citizens. This indicates that agency reforms in Thailand provide opportunities to the high-profile bureaucracy and politicians to earn returns by taking advantage of their power and prestige. Thai style APO's act as a source of yielding revenues and acquire privileges (Verhoest et al., 2012). In addition, its board members, advisors and directors also gain extra perks, both formally and informally through capitalizing upon their esteemed designations. Moreover, such reform entities act as a source of employment for the retired or about to retire senior government officials (Verhoest et al., 2012).

2.6 Lessons Learnt from Agencification across the Globe

The generic ideas supporting the spread of agencies are generally comparable and have been summed up in the NPM-paradigm. In all countries adopting agencies, considerations regarding effectiveness and efficiency, thanks to more room for management practices, surface. However, our review of experiences in Anglo-Saxon countries, continental Europe and developing post-colonial countries suggest that there are deviations from the ideal agency ideas. The impact of these administrative reforms appears in a partial and vague manner. Political salience of the agencies created in these developing nations also determines the nature and extent of reform implementation. In some countries, performance-based mechanisms of steering and control are also used randomly, depending again upon the interests of the political and bureaucratic leaders. Highly politicized appointments of senior officials in the administrative boards of such independent entities render a compromised effect of agencification in the developing countries mentioned earlier (Verhoest et al., 2012).

Apart from the external influencing factors considered to be responsible for administrative autonomization in the eastern nations, some endogenous factors are also observed to drive the agency movement in countries like Thailand and Hong Kong. Here the political rulers use independent agencies as a means of patronizing their favorites (senior bureaucrats and politicians). In Thailand, the civil service elites gain numerous material benefits through such organizations. In Hong Kong, the increasing number of agencies also provides a platform for the political executives to favor their supporters.

The review done so far points out several specific factors in developing countries that may have an impact on how the generic agency-model is enacted and will work. First of all, as shown in the case of Hong Kong, the new administrative structures will be influenced by existing (post-) colonial structures. Secondly, as all cases show, there are particular motivations for politicians and bureaucrats to use agency structures to either the national or their own benefits. The adoption of agencies is thus premised on local political preferences and bureaucratic sites of power. Along with this, the financial incentives offered by agencies along with national patterns of corruption may influence how agencies work in practice.

2.7 Conclusion

This chapter had two purposes: defining the concept of agencies and exploring what is known about the global process of agencification.

To start with the first conceptual question, it can be stated that agencies are government organizations operating at an arms' length from their parent bodies. These entities are involved in specialized tasks, such as public service delivery, regulatory, adjudicatory or advisory functions. Such types of organizations are considered to provide discretion to managers to take decisions independently for various human resource, financial and policy matters. Under this arrangement they are held accountable for their decisions. Moreover, agencies are single-purpose organizations formed under public law, a statute or executive order. The large-scale creation of agencies was part of a global NPM-reform movement aiming to make governments more effective and efficient.

Secondly, this chapter also provides a background to the creation of agency structures across the globe which will help us understand our case of Pakistani agencies. The academic literature has a strong focus on agencies in developed countries where the model originated. However, agency experiences in the west cannot be matched or reconciled with those of the east; this demands an in-depth analysis of the process and implications of the agency notions and characteristics in the specific countries. What we learn from other countries with colonial histories, such as Hong Kong and Tanzania, is that the generic NPM-model of agencies will take on specific local forms, in interaction with existing structures, political and bureaucratic interests and the general administrative culture. We will explore this further when we focus on agencies in Pakistan. For now we will stick with the generic dimensions of agencies and focus on issues of autonomy and control in the next chapter.

3 Agency Autonomy and Control: Key Concepts

The concept and global diffusion of agencies as parts of the New Public Management movement have been described in chapter two. This chapter now introduces our basic theoretical concepts: autonomy and control. We will explore the different sub-dimensions of autonomy and control. The chapter addresses the second and third research questions; what is ‘autonomy’? And what is ‘control’? The chapter then continues with a discussion on research showing dynamic relations between autonomy and control of agencies.

3.1 Agency Autonomy-A Multidimensional Concept

Autonomy is one of the defining features of an agency that refers to its decision-making competency delegated by some hierarchically superior body. The concept indicates the extent to which an agency has the discretion to take decisions independently (Verhoest et al., 2004a); Verschuere, 2007; Roness et al., 2008).

One of the core reasons for disaggregating or creating legally independent autonomous agencies during NPM-reforms was to make policy implementation a separate function away and out of the clutches of the parent ministry. Agencies are granted autonomy to ensure the execution of specialized tasks in an impartial way, thus limiting political interference (Majone, 2001). The concept of autonomy is applied in different domains of the agency activities. Agency autonomy is a multi-dimensional idea, which assimilates both management and policy aspects of agency activities (Flinders, 2008; Verhoest et al., 2004). In addition, autonomy is a relational concept, since there are multiple determinants of autonomy of an agency. The autonomy elicited by the agency is dependent upon several other players associated with it in their respective roles. These players might grant or withdraw autonomy (Lægreid, Roness, & Rubecksen, 2006).

We distinguish between three different sub dimensions or aspects of autonomy in this study. The autonomy granted to agencies is delineated as per at least three different dimensions. One is the autonomy in human resource management, both at a strategic and operational level, secondly the

financial autonomy, and finally policy autonomy in both policy development and policy implementation.

The figure below visualizes these distinctions.

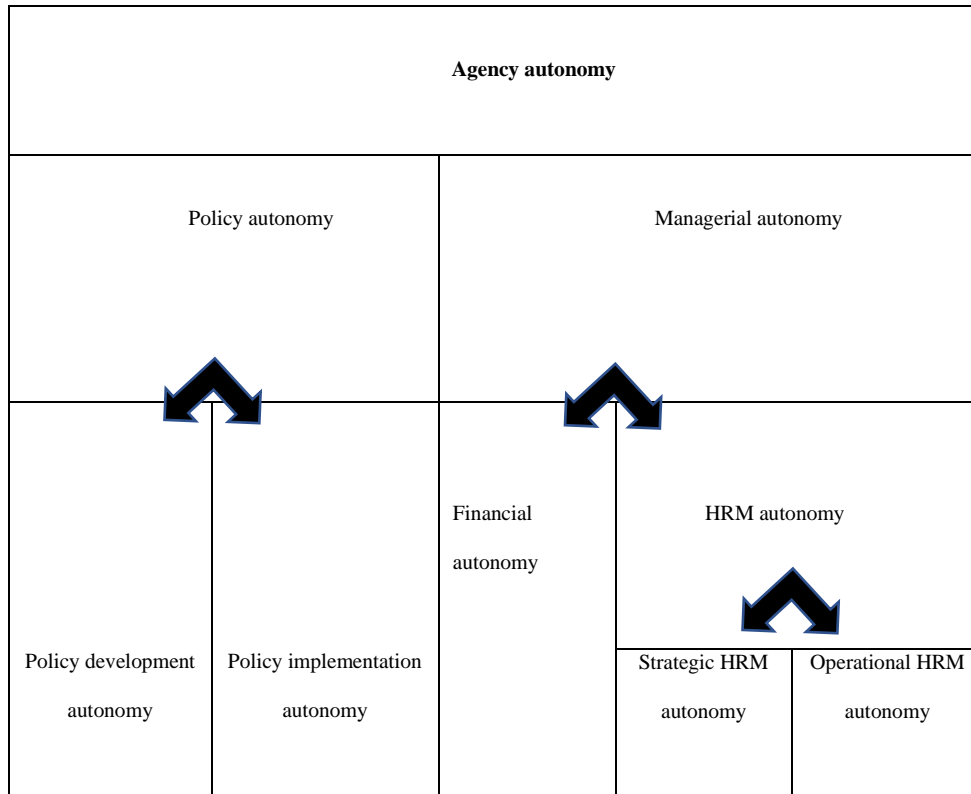


Figure 3. 1 Levels of autonomy and its sub-dimensions

Agency autonomy thus is a multipronged concept which refers to decision-making and policy implementation in human resource management, finance related issues, and substantive policies. These types of autonomy are not necessarily associated with the formal legal status of agencies. Agencies that have similar legal personality might present an extensively inconsistent level of autonomy on the various dimensions (Pollitt et al., 2004). Some agencies could be high on policy or managerial autonomy, whereby others might have higher financial autonomy (Christensen & Laegreid, 2001; Verhoest et al., 2004).

Such agencies which are created under a legal statute, act or ordinance are formally granted autonomy to take decisions in policy, financial and human resource matters. This kind of legally prescribed autonomy refers to formal autonomy legally delegated to them. However, in practice the degree of actually perceived autonomy may deviate from the legal provisions and vary according to contextual situations (Pollitt et al,

2004), the administrative culture and stakeholder influence (Carpenter, 2001) while not being in complete conformity with the formally assigned autonomy. This actual state of policy, financial or human resource management autonomy is referred to as de facto autonomy. Since political heads might influence policy, finance or human resource related decisions taking place within these agencies through informal channels which eventually undermines their formal (de jure) autonomy (Thatcher, 2002). Therefore, de facto (actual) autonomy might not correspond with formal autonomy sanctioned legally to agencies (Yesilkagit, 2004).

An implication of the multi-dimensionality of agency autonomy is that different combinations of agency autonomy are evident in different organizations. This means that an agency with substantial policy autonomy does not necessarily have a lot of autonomy on other dimensions, and vice versa (Bach, 2014). Carpenter (2001) states that

“There are generally three conditions for agency autonomy to prevail; political differentiation from the political executives, independent organizational capacity; and political legitimacy generated by a strong organizational reputation embedded in an independent power base”.

3.1.1 Policy autonomy

The first and most important dimension of agency autonomy is policy autonomy. This is important, as it essentially means that managers of agencies take specific decisions regarding policies while being unelected.

Policy autonomy of public agencies refers to de facto(actual) agency involvement in problem recognition, the design of new policies or the modification of existing policies, including activities such as the drafting of laws and decrees or conducting impact assessments (Verschuere & Bach, 2012; Yesilkagit & Van Thiel, 2008). The de facto (actual) policy autonomy that agencies have might not match their policy roles as laid out in their legal acts or statutes (Yesilkagit, 2004).

Policy autonomy can be understood as the delegation of competencies to the agencies to become involved in policy development. It indicates the degree of a policy-making role assumed by an agency *vis-a-vis* its overseeing parent ministry (Verhoest et al., 2004). However, policymaking is a complex activity as it is made up of different phases. Thus, the degree of policy autonomy might vary across the different phases in the policy process.

Policy autonomy ranges from strategic to operational decisions. Strategic level policy decisions pertain to determining policy goals and objectives, processes and procedures, employment of policy instruments and target groups and outcomes to be reached. Moreover, when agencies have the authority to make decisions regarding the mechanism, tools, and instruments to employ in order to execute policies designed by politicians, it is referred to as policy implementation autonomy by various researchers (Yesilkagit & Van Thiel, 2008). Such operational level policy autonomy is highly significant as it contributes to the outcome of policies. Advocates of policy autonomy believe that such a discretionary act might enable agency managers to execute tasks in an efficient way. The logic provided is that since agency structures are closer to the service receivers, they can have immediate access to the changing needs and adapt or frame policies accordingly. Furthermore, when policy matters are decided by agencies, they can be implemented more realistically.

Agencies can have the discretion to influence policy decisions (Verhoest, 2002; Verhoest et al., 2004). Those involved in strategic policy formulation have the authority to determine broader goals, objectives, and outcomes which should be achieved through the policy programs. Policy implementation decisions are concerned with the quality and quantity of outputs required to be delivered through policy packages, policy targets, and instruments. Finally, some agencies might have the discretion to determine the activities and procedures that need to be chalked out to achieve the intended policy outputs.

3.1.2 Financial autonomy

Financial autonomy is the second major aspect of autonomy we discern. Autonomy over financial matters means the discretion agencies have to take decisions related to financial matters, such as

determination of agency budget, its allocation over different heads, to buy and sell assets, management of financial resources and acquisition of loans and financial partnerships with other entities (Coe, 1989; McKinney, 1995). Agency executives prefer to be granted autonomy over such issues since financial autonomy enables them to take such financial decisions which would allow them to achieve the strategic objectives of their organization. Financial discretion allotted to these managers can render efficient and customized financial practices (Coe, 1989).

Agencies that are granted financial autonomy can set tariffs, determine tax and fee structures to deliver their services. Such agencies can generate additional incomes, apart from the budget granted by the government. Financial autonomy allows agencies the flexibility to shift budgets between cost heads or between years. However, in certain cases, tariff setting activity is highly regulated by the government, to ascertain uniformity across all service levels.

3.1.3 Human resource management autonomy

The third and last type of autonomy to be discussed here is human resource management autonomy. HRM-autonomy for agencies is important from the perspective of management: it creates room for managers to actually *manage* the people in their organization. Human resource management autonomy may also refer to both strategic and operational levels. At the strategic level, agency managers may have the authority to set rules with respect to HR-related issues. Operational level human resource autonomy provides the discretion to managers to take decisions related to individual personnel over HR issues, such as staffing, salaries, promotion and evaluation of personnel. Agencies that have been granted operational HRM autonomy within defined rules and regulations allows their managers to render personnel-related procedures in an efficient way.

In most of the OECD nations, the allocation of personnel-related authority within agencies is highly discussed since the human resource is the most significant production factor in many organizational structures. For this reason, ministries and central government departments which are

responsible for the agency networks consider the allocation of power especially at the strategic personnel level a challenging decision (Verhoest, 2002).

However, agency managers themselves consider operational HRM autonomy the desired situation for them to be able to take efficient personnel decisions within rules and regulations outlined by their overseeing ministry or the government. This state of autonomy may give them the opportunity to recruit relevant people for specific jobs. Having the discretion to choose staff for jobs, the process of recruitment can be expedited without delays which otherwise might occur due to lengthy approval procedures in case of centralized HR policy. In addition, agency managers also appreciate to have autonomy over strategic personnel policy decisions, since they believe that they will have the flexibility to draft agency-specific personnel policies. Having autonomy regarding evaluation and promotion criteria might lead to such personnel policies that could increase the level of motivation and ultimately agency outcomes (Verhoest et al., 2010).

3.1.4 Variations in autonomy dimensions

The overall perceived autonomy within agencies is an outcome of the amalgam of HRM, financial and policy autonomy. Though they are offshoots of the autonomy dimensions, no calculated relationship exists between them. Agencies that carry out similar functions might vary on the different dimensions of autonomy. Some might have independent legal status, while others could be attached departments, without any legal identity of their own. Some could be high on personnel autonomy drafting their own personnel policies, (determination of staff and salary structures etc.) while others might rely on pre-existing civil service regulations. Some have the discretion to draft policies, while others simply implement them; some agencies can determine tariffs while some might depend on predetermined fee structures or service charges as levied by their overseeing ministry. Certain agencies have the authority to get into contracts and take loans from external entities, while others just rely on funds allocated by the federal government (state).

It can be inferred that agency performance can be realized by striking a balance between the different categories of autonomy. The state should form agency-profiles by keeping in perspective the right blend of

HRM, financial management and policy autonomy. This can lead to improved service delivery quality and execution of specialized tasks by the autonomous bodies (Laegreid & Verhoest, 2010).

Table 3. 1 Conceptualization of Autonomy

Dimensions of Autonomy	Explanation of concepts of agency autonomy
Human resource Management Autonomy	Human resource management autonomy is one aspect of managerial autonomy, which can be granted at both strategic and operational managerial levels. At the strategic level, agency managers are understood to have the authority to set rules with respect to the HR related issues. Whereby, operational level human resource autonomy provides the discretion to managers to take decisions related to individual personnel over HR issues; staffing, organizational size, salaries, promotion and evaluation of personnel.
Financial autonomy	Agencies that are granted financial autonomy can set tariffs, determine tax and fee structures to deliver their services. Such agencies can generate additional incomes, apart from the budget granted by the government. Financial autonomy allows agencies the flexibility to shift budgets between cost heads or between years. However, in certain cases, tariff setting activity is highly regulated by the government, to ascertain uniformity across all service levels.
Policy Autonomy	<p>Policy autonomy is the aggregate of policy development autonomy and policy implementation autonomy. Policy development autonomy refers to the extent to which agencies can develop or design policies. Policy implementation autonomy is the extent to which an agency can take decisions regarding the policy instruments such as the resources it can employ to meet its goals and objectives.</p> <p>For public agencies this refers to de facto (actual) agency involvement in problem recognition, the design of new policies or the modification of existing policies, including activities such as drafting of laws and decrees or conducting impact assessments (Verschuere & Bach, 2012; Yesilkagit & van Thiel, 2008).</p> <p>Policy autonomy can be understood as the delegation of competencies to the agencies to become involved in policy development. It indicates the degree of policy-making role assumed by an agency <i>vis-a-vis</i> its overseeing parent ministry (Verhoest et al., 2004).</p>

3.2 Control of Agencies

The relationship between the central ministerial departments and the disaggregated agencies does not just reflect autonomy. The creation of autonomous agencies goes along with more or less intense forms of control by central governments to keep agencies in check. The second conceptual question we address in this chapter is the concept of control.

The issue of control is tightly related to the goals of agencification. To achieve the intended merits of autonomy, measures and instruments of control need to be defined in terms of maximizing agencies performance (service delivery quality, efficiency, and innovation). (Verhoest et al., 2012). ‘An effective system of supervision and control may mitigate legal objections against far-reaching delegation of powers to independent agencies’ (Busuioc, 2009). Owing to the decision-making powers delegated to independent agencies operating at an arm’s length from their traditional controlling authority, arises the issue of striking the right kind of balance between independence, on the one hand, and control on the other.

The control problem of the autonomous bodies by the ministry, parent department, ministers or cabinet is an issue which arises parallel to their creation. It is one of the consequences of agencification. Control is defined as a process of evaluation that is based on the monitoring and evaluation of behavior or of outputs (Ouchi, 2013). As per the reform literature, control refers to the pressure that is applied to agencies to behave in a certain way (cf. DiMaggio and Powell, 1983). This is exemplified by the introduction of the system of performance contracts which is linked to the imposition of sanctions or receiving rewards, depending upon unmet or achieved targets outlined in the contractual document. Control is an instrument in the hands of the overseeing authorities to motivate or penalize the agencies (Overman, Van Thiel, & Lafarge, 2014). Busuioc (2007) defined control as ‘having power over’ and to be able to proactively direct the conduct of agencies by placing straight orders and directives. It can also be rendered by the provision of financial incentives and formulating regulations.

Control can be exercised in a variety of ways. Control may occur in the form of rules and regulations to keep a check on financial matters, HR related decisions, and other constraining or steering parameters

which could be imposed on the agencies either by its parent ministry or any other national or international level entity such as the IMF, World Bank or EU.

Another aspect of control in this study refers to guidance and evaluation consisting of the mechanisms and instruments used by government to intentionally influence the decisions and the behaviors of the agency in order to achieve government objectives (Kaufmann et al., 1986). Public sector organizations were traditionally controlled through stringent rules, regulations, and standard operating procedures which guided and influenced policies, decisions, and actions of these entities.

‘Control’ can include both *ex-ante* and *ex-post* mechanisms of directing behavior (Scott, 2000:39). It refers to various instruments adopted by any controlling authority to provide direction, to steer and to render influence on the decision making and activities of the agency being controlled. Kiewiet and McCubbins (1991) identify four types of control instruments which are employed by the principal; contract design, screening and selection mechanisms, monitoring and reporting, and additional institutional checks (Kiewiet, Roderick, McCubbins, 1991; Strom, 2000))

Here we focus on four types of control.

First of all, *ex ante control* defines the boundaries within which an agency can act to accomplish its delegated task. It directs public sector entities by focusing on the choice and use of inputs and results to be delivered (Busuioc, 2009). The emphasis is on the formulation of rules, regulations, and standard operating procedures. *Ex ante* controls force agencies to take formal approvals from parent ministry, department or concerned minister before taking a decision. It aims to provide governments with the certainty of reaching for their objectives and reduces the amount of risk associated with it. Under this control mechanism, sometimes the controlling authority also has the power to reject decisions taken by the independent (autonomous) agencies.

A second type of control is *ex post* control. This type of control is performance- and output oriented, aimed at taking corrective actions in order to achieve targets and goals set by the ministry (Verhoest et al., 2012). It relies on a formal performance contract which acts as a guideline to achieve

targeted objectives and related goals. Such a system of control is based on performance reporting which is ultimately translated into performance related sanctions or rewards. Ex post control is a method propagated under the doctrine of New Public Management. NPM states that such a control system would result in more conscious organizations, by specifically focusing on their output. This is believed to lead to improved and efficient public sector organizations (Pollitt et al., 2004; Talbot, 2004).

A third type of control of the agency used by the government is through imposing and influencing the appointment of the top management or the executive board's composition. This has been coined as *structural control* (Christensen, & Lægreid, 2006). This method of control of the agency used by the government is through imposing and influencing the appointment of the top management or the executive board's composition. Accountability and check on the level of good governance of the top hierarchy are what is termed as structural control (Verschuere, 2007). Some governments also tend to control agencies' financial decisions and resource allocation, through either granting or refusal of resources. In certain cases, parent ministries also give agencies the right to self-generate their resources.

The selection and appointment of the managers and leaders of independent autonomous bodies may lead to politicization. Appointed employees at the top managerial level of such organizations may be under constant scrutiny of the political heads. Appointed members of chief executive bodies may be another source of influence on the independent decisions of agencies. This kind of a control instrument can hamper independent decision making and functioning of government organizations granted managerial autonomy

Beyond these formal ways of control, a fourth type of control is *informal control* which prevails between the top management and political and administrative heads. A study conducted during the 1980s describes informal control as the relationship between officials in the agencies and the parental ministerial departments characterized by extensive informal exchanges in which the agencies, for example, despite their formal power to act at discretion in fact were trying to catch signals and achieve guidance from above (Hall, Nilsson, & Löfgren, (2011). Some earlier studies emphasized the significance of such informal links between the agency managers and the political elites. Moreover, it was also stated that informal contacts with the agencies are appreciated by the political side of the parent departments (Hall et al., 2011). These

studies also perceived direct contacts with the ministerial departments to be a great problem among some agency managers (cf Molander et al., 2002). Informal control, sometimes also referred to as “ongoing control” (Busuioc 2009), may mean that the parent body interferes directly in the decision making of the autonomous agency, thus circumscribing the level of formally assigned autonomy to take decisions independently. This informal channel of control provides a backdoor access to the parent body.

In Pakistan, informal control prevails between the top management and political and administrative heads, which renders a compromised level of administrative, human resource and financial autonomy, which is the essence of the creation of these independent agencies. Such forms of informal politics have been found to be prevalent in many Asian (and other) states (Radnitz, 2011). This kind of a control can hamper independent decision making and may nullify the formal autonomy granted to agencies.

Table 3. 2 Conceptualization of Control

Dimensions of Control	Explanation of concepts of control
Ex ante control	<i>Ex ante control</i> defines the boundaries within which an agency can act to accomplish its delegated task. It directs public sector entities by focusing on the choice and use of inputs and results to be delivered. The emphasis is on the formulation of rules, regulations, and standard operating procedures.
Ex post control	<i>Ex post control</i> is performance and output oriented, aimed at taking corrective actions in order to achieve targets and goals set by the ministry (Verhoest et al., 2012). It relies on a formal performance contract which acts as a guideline to achieve targeted objectives and related goals.
Structural control	<i>Structural control</i> of agencies is done by the government through imposing and influencing the appointment of the top management or the executive board’s composition. Accountability and check on the level of good governance of the top hierarchy are what is termed as structural control.
Informal control	<i>Informal control</i> prevails between the top management and political and administrative heads. Informal control is the relationship between officials in the agencies and the parental ministerial departments characterized by extensive informal exchanges.

3.3 Control and Autonomy: Research Insights in their Dynamics

In this chapter we have so far aimed to disentangle sub-dimensions of autonomy and control. This might suggest that those aspects can be neatly ordered in practice. However, the research on autonomy and control sketches a much more dynamic picture. As this thesis will explore the autonomy

and control of agencies in Pakistan, we will review some of the important literatures in order to understand how these concepts have been related more dynamically in extant research.

Agencification is premised on a clear dichotomy between policy framing and policy implementation between managerially led agencies and politically led ministries. The empirical evidence suggests this distinction is difficult to maintain. Studies indicate that it is difficult to find situations where there is a clear distinction between administrative and political roles. Studies for instance show that the roles of politicians and administrators cannot be separated in practice, specifically in some policy fields or politico-administrative contexts (Verschuere & Bach, 2012). Reform literatures further offer arguments for the discrepancy between policymaking and implementation in rhetoric as compared to reality (Pollitt et al., 2004: 41–2).

Now where do we see that agency managers are autonomous in earlier studies and thus have taken over roles from politicians?

A significant number of studies have been conducted in European countries unveiling that most agency managers can autonomously make a choice of policy target groups and policy instruments after having consulted with the political oversight authorities (Verhoest et al., 2004, Yesilkagit & Van Thiel, 2008, Lægreid et al., 2006, McGauran, Verhoest, & Humphreys, 2005, Bach, 2010). Most of these studies focus on policy implementation. In the USA, Carpenter (2001) conceptualized and measured policy influence by autonomous agencies in terms of setting policy agenda's themselves. This refers to a level where agencies take decisive steps to formulate new policies. Carpenter (2001) narrates that the USA is a country where agencies have policy designing competencies. Talbot (2004) observed that agencies in the UK were not just responsible for service provision; they were equally engaged in providing policy advice (Boston et al., 1996; Kemp, 1993).

The influence of agency managers on policy issues is also dependent upon the parent ministries and other related government functionaries' willingness to involve the agency managers in policy decisions. This effect is elicited in a study conducted to assess agency involvement of executive agencies and their connectivity with the parent ministry in the United Kingdom (Gains, 2003). The influence of agencies on

policies is an outcome of the interconnectivity between all the stakeholders involved in the complete policy process. In a study conducted on policy involvement, Yesilkagit and Van Thiel (2008) revealed that there were significant differences in levels of policy autonomy between agencies of different legal status. They hinted that political executives of parent ministries granted more policy autonomy to agencies which they could more closely monitor.

Agency influence is all in all dynamic. It exists to a great extent when the autonomous agencies are able to define the outputs and goals which will be achieved through the policy they make (Carpenter, 2001; Egeberg, 1995; Hammond & Knott, 1999). In some other situations agencies merely develop policy instruments and processes involved in its implementation (Huber & Shipan, 2002; Krause, 2003; Ringeling, 1978). As revealed through earlier research, there are certain factors which affect the policy framing capacity of disaggregated administrative agencies. The degree of political salience of a certain policy issue determines the level of involvement of the agency. Highly salient policy programs offer less discretion to agencies in the policy-making process (Pollitt et al., 2004; Hart 2002). In politically turbulent circumstances, when the oversight ministry or department does not want to assume risks by themselves, agencies sometimes have a greater say in policy issues (Verschuere, 2009).

Another factor that determines the kind of discretion agencies have in policy decisions is the way the administrative unit views its role. If the agency sees itself in the role of policy making, it tends to behave so by involving itself in the policy drafting process. According to Laegreid et al. (2006), agencies are given more leeway in policy decisions when the relationship between the oversight body and the agency is based on mutual trust and confidence. This happens when the political actor believes in the decision-making capacity of the agency. Also, as Moynihan and Pandey (2006) indicate, organizational culture is a prominent determinant of the managerial autonomy exercised by agencies. Organizations having a strong entrepreneurial culture are more inclined towards manifesting more managerial autonomy in comparison to the ones with a traditional bureaucratic culture. Moynihan and Pandey (2006) also suggest that mutual trust between the principal and agency leads to an alleviated

level of agency involvement in policy decisions, since the political principal relies on the agency to take reliable and desirable decisions. In such a case the overseeing body expects a minimal chance of autonomy to be misused by the agency.

Furtheron, research conducted in the Europe indicates that the level of involvement of executive agencies in policy decisions is contingent upon a number of factors: type of task, policy content, stage of the policy process, willingness of the political entities (ministries, cabinet ministers) to accept agencies suggestions and input, and sometimes interest level of the agency personnel itself (Verschuere & Bach, 2012). Agency staff may contribute to policy framing process based on their professionalism and specialized expertise. In addition to this, agency staff also works closer to service receivers and have closer contact with them as compared to the generalists in ministerial bureaucracies (Bach, 2010). Further, close connections between the policy-making ministerial bureaucracy and the implementing agency can generate a congenial and trustworthy relationship between them (Rommel & Christiaens, 2009).

3.4 Conclusion of the Chapter

To address the second conceptual research question it can be concluded that, autonomy is one of the defining features of an agency that refers to its decision-making competency delegated by some superior body about matters regarding choice and use of inputs. It indicates the extent to which an agency has the discretion to take decisions independently. (Verhoest et al., 2004a); Verschuere, 2007; Roness et al., 2008). Moreover, autonomy granted to agencies is delineated as per three different managerial dimensions. The first is the autonomy in human resource management, both at a strategic and operational level. Secondly, the financial autonomy. And finally, policy autonomy.

To answer the third conceptual research question on the aspect of agency control, it is stated that control of autonomous bodies by the ministry, parent department, ministers or cabinet is an issue which arises parallel to their creation. Although theoretically there are various control types but in this study not all of them are used for analysis. For this study, we have identified and studied upon four dimensions of control: ex post, ex ante, structural, and informal (ongoing control lies within the informal control). The reason to

discuss ongoing control in this study is because of it being used evidently within the public agencies studied upon and it being a part of informal control.

Now that we have developed all the theoretical concepts of the agency model, the next chapter will develop potential generic explanations to agency autonomy and control, before we move ahead to the empirical part of this thesis.

4 The Generic Theoretical Model of Agencies

In this study the researcher analyses the autonomy and control features of federal agencies across Pakistan. What kind of autonomy prevails within the organizations under study can be explained by unravelling the factors that affect the autonomy and control of these agencies. This chapter presents an explanation of the different theories developed by various scholars to address whether and how the characteristics of an agency are related to the formal and legal autonomy and control of agency structures. The second section of this chapter addresses the first part of the research question, ‘Which generic theoretical frameworks possess an explanatory power for the control and autonomy of agencies in Pakistan, on the state-level and on the agency-level?’

The initial part of the chapter distinguishes two rational theoretical perspectives: public choice theory and principal-agent theory. Subsequently, three perspectives are discussed: the structural-instrumental perspective, the task perspective and the cultural-institutional perspective. On this basis, the chapter develops a set of hypotheses on generic, a-specific explanations of the autonomy and control of public sector agencies in Pakistan. Before elaborating on the different theoretical perspectives, this chapter presents the New Public Management paradigm, which forms the basis of the agency model of governing the public sector.

4.1 NPM-Model of Agencies

Agencification as a concept and practice is an outcome of new public management philosophy, which is grounded in principal-agent theory. According to this theory, agents (for such a case, it is the agency/managers) can perform at optimum efficiency, provided they are granted autonomy to render specialized functions, while controlled by the principal (politicians/ministers) through result-oriented control mechanism. This way of stringent control based on a contractual framework is inevitable in such autotomized bodies. These disaggregated units are regulated through accountability on results and by awarding rewards or imposition of sanctions (Rones et al., 2007). Both rational choice theory and

specifically principal-agent theory talk about regulating autonomous bodies by having a contractual monitoring system. (Lane, 2000, Douma & Schreuder, 1998). However, such control instruments can only achieve the intended objectives under certain conditions considered to be prerequisites for such agency forms to survive. Otherwise, there is empirical evidence that indicates how certain agencies are not able to perform as required. This scenario prevails when the principal (the ministry) is unable to successfully control the agent since their interests diverge (Pollitt et al., 2004)). In the wake of a lack of coordination and weak mechanisms of accountability, countries are aiming at achieving the right balance between autonomy and accountability (OECD 2002b).

New Public Management appeared in the global scene of various nations as a reform initiative. This concept emerged as an economic model of governance and organization, with the goal of achieving efficient and effective public service delivery. NPM-led reforms undermine central political control with the separation of political and administrative roles (Christensen & Lægveid, 2003a). The steering capacity of the parent ministry (principal) is curtailed when agency (agent) managers are assigned decision-making authority.

One of the key purposes of the new public management approach is to decentralize the management of public services through the provision of autonomy over operational matters to the organizational managers. These public organizations assume the status of special purpose executive or autonomous agencies, corporations or authorities. Such agencies generally have more flexibility to manage financial and human resources while being subject to result based accountability to their parent departments. They are connected to their parent ministries through performance-based contract and not the traditional hierarchical relationship (Collins, 2005).

An ideal New Public Management-styled agency is expected to be managed in a professional manner having a specialized function which is to be executed efficiently and highly receptive to customers and stakeholders' needs and requirements. Such agency type organizations are performance oriented with flexible and transparent processes. Structural disaggregation is one of the principal elements of the NPM type agency. As a result of disaggregation, agencies gain managerial autonomy

to determine their structural features as well as the discretion to define their own personnel and financial matters. Certain other elements of autonomy are contingent upon the legal realities and politico-administrative traditions of a country (see Verhoest et al., 2012). It is decentralization of management which alters the nature of control and regulation by the parent ministries and also mechanism of accountability. Agency managers are granted autonomy to make financial and human resource related decisions and adopt the output (result-based) rather than the traditional input-oriented approach. And this sort of structural arrangement makes agency functions specialized, efficient and transparent. Advocates of the agency model assume that increased distance between the central departments and government activities will reduce direct political interference. Thus, the creation of autonomous bodies is justified on the grounds that these structures provide insulation from political patronage and opportunism. And moreover, such independent agencies render a restrained central government with limited influence from cabinet and ministries (Christensen & Laegreid, 2006).

Secondly, performance contracting is the other key feature which is the mechanism of control and monitoring by the parent department. Such contractual frameworks are expected to keep the agencies keep track of the goals and objectives outlined by their political administrators, thus being accountable to them as well. The performance contract acts as a link between the semi-autonomous agency and its parent ministry or minister.

However, the above- mentioned NPM oriented agency features are ideal situations since the perceived agency trends might not be in total harmony with them. NPM styled, modern governments that contain agencies as one of the forms of the public organizations do experience agency practices to diverge from the ideal NPM- styled agency features.

4.2 Theoretical Explanations of Control and Autonomy of Agencies

The development of public sector reforms can be discussed through various theoretical lenses. Various frameworks were developed providing underlying principles of organizational theory and policy. We start our discussion with two generic theoretical models:

- Rational choice theory
- Principal-agent theory

These two generic theories set the stage for several more specific theoretical perspectives which will be used to develop the generic hypotheses used in this study:

- Structural- Instrumental Perspective
- Task Perspective
- Cultural-Institutional Perspective

4.2.1 Rational choice theory

The recent debate on the concept of agencification can be explained using the rational choice theoretical perspective. This perspective is manifested through public choice and principal-agent theories (Christensen & Laegreid, 2006). Public choice theory offers a basis to assume that politicians opt for independent agencies such as quango-like structures which provide a platform to implement citizen prone policies, which would ultimately result in creating a favourable impression of the politicians. This could give them a chance to be re-elected. Moreover, such disaggregated entities or quangos in comparison to centralized government bureaucracies are considered to have two more benefits. Firstly, politicians get a chance to appoint their favourites as members of their executive boards, thus confirming the voter's support. Secondly, being at an arm's length from the parent department, the politicians are not directly held accountable for the performance of the autonomous entity. The expression 'politics of structural choice' provides quite a logical reasoning to this perspective. Agencies created for regulatory purposes are perceived to be favourable organizational forms to increase the credibility of the policies drafted by the political agents and also to decrease political uncertainty (Gilardi, 2004). Therefore, the creation of autonomous government bodies can be viewed as a result of the political variables, of which one is the competitive activities prevalent amongst the party in reign and its opponents in the legislatures (Yesilkagit & Christensen, 2010; see

also Moe, 1990; McCubbins, Noll & Weingast, 1987). According to Yesilkagit & Christensen (2010), such a trend is rampant in America, whereas in some other parts of the world, formal, legal autonomous agency formation is the initiative of political executives rather than legislatures. It aims at enhancing the credibility of political leaders as well as enables them to shift blame to the autonomous agencies. The objective of such reform processes may be to create an impression of being modern political leaders and to achieve political gains rather than purely to bring any substantial improvements to the public sector. These autonomous bodies are controlled by the ministries by having their representation in the governing board of the agency. According to various studies, the organizational form is an outcome of macro-level political and institutional decisions (see also Huber & Shipan 2002).

The public choice theory is an ideal-typical model that suggests policy objectives and goals which might turn out to be in contradiction to realistic agency outcomes and political decisions (Aberbach & Christensen, 2003). This indicates the requirement to refer to other theories that could address the conflicting and uncertain political and administrative environment.

4.2.1.1 Principal-Agent Theory.

The principal-agent theory is another dominant variant of the rational-economic perspective. It is commonly referred to in research studies, to address behavioral patterns of contemporary public bureaucracies and other independent non-majoritarian agencies functioning within the government structure (Coen and Thatcher, 2005). It is often used to describe, explain or hypothesize and envisage the behaviors of the actors involved in this relationship between the principal (the parent body/ministry) and the disaggregated agent. This theory presents certain assumptions, such as a conflict of interests between the agency and the heading authority. It states that rational agents might be more interested in achieving their own interests and goals and tend to be self-serving and self-centered. In lieu of their distinct identity, agents are believed to focus upon their contractual conditions, while its principal prefers to maximize profits at minimal costs (Wood, 2010). However, in some conditions, the agents and the principal's goals might converge (Meier & Krause 2003, 10; Waterman & Meier, 1998).

The principal-agent perspective states that since agencies work on the basis of performance criteria, they are subject to more transparent processes, which makes it easier for the principal (overseeing body) to monitor them and achieve efficiency (Pollitt et. al, 2001).

The principal-agent theory provides justification for delegation of the task to disaggregated entities (agencies). One predominant reason for delegation of the task is to take the opportunity of the enhanced knowledge, expertise or resources of some other public entities that have the capability to carry out certain functions in an efficient manner. Another reason for delegation of tasks by the principal is to appear to be more credible and ultimately desire to have efficient execution of tasks, keeping in view its prime obligations (Breux et al., 2002, 94, Bovens, 2007, 455). Sometimes principals are assumed to delegate tasks to other organizations, just to shift blame and avoid being held responsible for unexpected and negative results. To transfer risk to an outside agent is another purpose (Benjamin, 2008, 962). Another notion of the principal-agent perspective is the autonomous status of the agent which enables it to take verdicts on its own, rendering unreported and undisclosed decisions and actions, thus creating the need to have control mechanisms. The rational principals, therefore, design contracts that oblige the agents to comply with the stipulated goals, rules and regulations provided to them by the principal in a contractual document. Such sanctions imposed by the overseeing principal consume a lot of time and other resources of the principal, due to which in some situations the oversight process or mechanism might not be too explicit (McCubbins & Schwartz, 1984). According to Waterman and Meier (1998), the control mechanism is an inherent principal of principal-agent theory.

Sometimes the behavioral patterns of autonomy and control deviate from its normative assumptions in practice; Empirical investigations carried out to study principals' and agents'; behavior elicit contradictory findings (Schillemans, 2011; Busuioc, 2013). Dicke (2002) in her research study disclosed an unsupportive attitude of the political actors overseeing the agents. Rather hostility was evident in their approach towards decisions and policies being implemented by agencies. Dicke (2002) and Mattli & Bütthe (2005) in their research on the control features of agencies found out a

contradictory behavior of the principal towards its own agency. In some situations, these political heads disregard regulations set by themselves, this occurs at the time of execution of tasks by their own agents (Jos & Tompkins, 2004). Moreover, the other extreme situation is realized when in certain cases the principals do not even bother to draft goals at the time of delegating tasks and allow its agent to set forth its own goals which would enable them to carry forth their course of action (Mörth, 2007).

The principal-agent perspective suggests that agencies are fairly autonomous in their course of action, whereas some studies mentioned earlier present a deviating situation. Various other studies also describe contradictory situations of autonomy. Actual autonomy has repeatedly been found to be much lower than the level of formal autonomy (Demmke, Hammerschmid, & Meyer 2006; Pollitt, 2003; Van Thiel & Leeuw, 2002). Dubnick & Frederickson (2009, 155). Scholars pointed out a similarly influential role of political heads prevalent in some European Agencies, which despite delegation of formal autonomy based on contractual conditions tend to get away by imposing their own decisions on the so-labeled autonomous agents. Ministers were found to be the main agents directing independent agencies (Schillemans, 2007). Eventually, a lot of academic literature infers that the level of control exerted on autonomous agencies is far more than expected at the time of their inception and also stresses informal controls on the lawfully created independent agencies by their parental bodies (Busuioc, Groenleer, & Trondal 2012; Groenleer, 2009; Martens, 2010). Busuioc, Curtin, & Groenleer, 2011 in their empirical study on delegated governance state that agencies' actions and decisions are often scripted by their parent ministries. They are required to report their decisions and actions to their superior authorities as well as to various internal and external auditors (Bovens, Curtin, & 't Hart 2010; Busuioc, 2013; Hood et al., 1999; Koop, 2011).

Another outcome of the control and monitoring aspect, based on an empirical analysis of some European Agencies, is that the accountability and control mechanism of delegated organizations might present a contradictory situation than that assumed under the agency model. One of the dominant factors is the ever-changing individual principal within the agency's governance. Newly appointed ministers might come up with their own agenda, which may be different from the initial contract terms and policy rules and could be detrimental to national interests. (Busuioc, 2013).

The rational perspective is believed to be more appropriate to comprehend the formal delegation of powers and autonomy and control of the independent agencies, than the actually perceived consequences of the delegated entities (Coen & Thatcher, 2005). Due to its partial capability to analyse formal autonomy and control, it appears to be more logical to address the agency dynamics by relying on other supporting theories and approaches which might explain agency trends in an ever-changing dynamic environment comprising of cultural, political and administrative elements. Apart from political and legislative variables, analysis of agency structures conducted in European Countries, provide an argument in the favour of historical and cultural factors. These provide an explanation to the delegation of autonomy to government agencies. National traditions and policy-making legacy account for the organizational form. This means that all agencies are not a replica of each other, nor do they reflect the normative agency model, as their structural features are dependent on the state traditions and administrative cultures (Christensen and Laegreid, 2001). This has led to tremendous empirical data and discussion, focusing on the role of historical institutionalism, path dependency, contextual and task-specific factors to be dominant catalysts of organizational form (Lodge, 2001, Jordana & Sancho, 2004, Busch, 2002).

4.2.2 Structural- instrumental perspective

Organizational arrangements are influenced by the structural-instrumental perspective having structure and task as its principal features. This perspective presents organizations as instruments to achieve the goal and the ways it defines and designs roles and rules to achieve various tasks. It also emphasizes on the repercussions of formal rules, regulations, and standard operating procedures (SOP's). Furthermore, this theoretical idea states that public bodies are granted autonomy in response to its structural features, which in turn is contingent on the task it performs. The degree of autonomy of such reformed entities depends upon their formal structuring. Whether they are specialized single-purpose entities, having horizontally or vertically coordinated units between organizations at different levels of the government will determine the required level of autonomy. According to the works of

Luther Gulick (1937), which was centred on structuring doctrines of organizations, the rationale for the creation of autonomous organizations is owed to its structural elements. As seen in various governments, horizontal and vertical specialization was evident to resolve the problems and management issues of complex multitasked public entities. Horizontal specialization is ‘the splitting of organizations at the same administrative and hierarchical level and assigning tasks and authority to them’ (Laegreid et al., 2003:1). Break-up of a ministry into several ministries or of an agency into other agencies at the same administrative level is an example often experienced in recent times as a structural reform strategy in the public sector of numerous countries (Christensen and Peters 1999). Whereby, Vertical specialization is ‘differentiation of responsibility on hierarchical levels, describing how political and administrative tasks and authority are allocated between forms of affiliation’ (Laegreid et al., 2003:1). This refers to the creation of semi-autonomous agencies which are placed at an arm’s length from the core central government bureaucracy. Further on, Lægred et al. (2003) stated that, “vertical specialization can presume various forms of organization; structural devolution, autonomization or agencification, meaning transfer of responsibility from units close to the political leadership to units that are further away from the political executives.” Also, coordination and control aspects are dependent upon structural features of public organizations commonly existing in the form of vertical or horizontal specialization.

Gulick (1937) claims that actual autonomy in practice depends upon the way formal authority is distributed among hierarchical levels. If the central government system comprises of independent agencies, the distance between administrative units’ increases and political interference is minimal. Formal instruments of control and steering are weakened in these independent entities (Egeberg, 2003). Moreover, the level of autonomy and control of agencies is an outcome of the type of structure the central government has; integrated or disintegrated into autonomous and semi-autonomous agencies (Christensen & Lægred, 2006). Under this perspective, the formal structural features of organizations are expected to explain the nature of and variation in agency autonomy, behaviours and ultimately the way it performs (Pollitt et al., 2004).

There is extensive literature on how the structural features of agencies affect their behaviour. An important question to address here is whether the legal personality of an agency has an effect on ministry-agency relations (Egeberg, 2003). Various studies have been carried out in different countries as an attempt to answer this question (Bach, 2010; Laegreid et al., 2008; Painter & Yee, 2011; Verhoest et al., 2004; Bach, 2014). Legally independent agencies are authorized by legislation to make a managerial decision in their own capacity, without ministerial and divisional intervention. The legal autonomy granted to such agencies bars the minister or ministry from using hierarchical control, while limited ministerial interference as well. (Christensen, 2001:129-130; Bach, 2014).

On the basis of the above discussion, it can be hypothesized that:

H1: Agencies that are legally independent have more managerial autonomy than agencies without legal autonomy

To study the relationship between the agency and the ministry, for the sake of understanding the autonomy and control realities, one of the dimensions of formal organizational structure is the degree of its vertical specialization. There can be different approaches to have formally organized structures; one possibility is to have direct interaction between the relevant minister and the agency working under it, having a legal autonomy. Secondly, to provide structural autonomy by placing a governing board between the political head and the agencies' senior management (Christensen, 2001; Verhoest et al., 2004; Bach, 2012). Agencies may differ in terms of their structural autonomy, when either the agency head may report directly to the relevant minister or to the executive board (Egeberg, 2003). When agencies have governing boards sitting between the ministerial heads and its management, it acts as a barrier to political interference directly from the ministry, thus increasing the agencies formal autonomy. However, in the case of political appointees as board members, there arises a possibility of limiting the agencies' formal autonomy to take managerial decisions (Christensen, 2001). Another viewpoint is that in the presence of boards, structurally autonomous agencies tend to operate from a

distance from their parent ministries and may not be a part of policy formulation. The board members may be the government representatives and various stakeholders such as independent experts, interest groups and political party representatives (Verhoest et al., 2010). Moreover, the type and degree of political control exerted on the agency is also contingent upon the appointment and composition of board members (Christensen, 2001). We therefore formulate the following hypothesis:

H2: Agencies having governing boards have more managerial autonomy and are subject to less political control than those without it.

However, the internal setting of the agencies is not the only factor responsible for its behaviour, other external environmental factors and actors (other related public agencies, politicians and ministers and private entities) associated with it also play a vital role and have an overarching impact on agency dynamics and performance (Christensen & Laegreid, 2003a; Pollitt & Bouckaert, 2004). Though formal structures of agencies are prime determinants of agency dynamics, political and administrative decisions and mindsets are also influenced by country-specific cultural traditions and other factors prevalent in its immediate (national) and distant (supranational) environment (Boston et al., 1996; Prince, 2000). This means that although the formal structure of such public agencies is the prime factor responsible for their autonomy and control these agencies are also connected to other public organizations, private sector entities and political agents residing in its external cultural and politico-administrative environment. Such a way of thinking typically based on structural features is questioned by scholars as to its explanatory relevance (Selznick, 1957).

Moreover, patterns of autonomy and control are attributed to two major logics of action (March & Olsen, 1989). The first logic, known as the logic of consequence is based on the instrumental perspective, according to which features of autonomy and control are tools in the hands of political and administrative leaders to achieve their pre-determined goals. Under this logic, decision makers rely on a means-end rational process (Christensen et al., 2007). Secondly, the logic of appropriateness, which is a mode of decision making under the institutional perspective, is related to the organization's cultural aspect. Under this approach, decision making is not done in a rational manner, but administrators engage in matching specific

situations to identities, i.e. administrators take decisions on the basis of their past experiences with similar situations keeping in mind the contextual environmental conditions.

4.2.2.1 Task Perspective

Another predominant feature of an organization related to its structure is the nature of the task a specific public entity assumes. The task is considered as the technical environment of the organization. Various contingency theorists, such as Woodward (1965), Thompson (1967) and Lawrence & Lorsch (1967) presented a task to be a major determinant of the organizational structure. The type of tasks organizations perform compels them to be structured in a specific form. Under this perspective, Wilson (1989) created structurally different organizations on the basis of the task they carried out and subsequently the control and monitoring instruments they required. Further on, a study conducted on autonomous agencies identified task as a major factor that provides a reason to grant autonomy to the public entities (Pollitt et al., 2004). The public choice theory, the agency theory, the transaction cost theory (e.g. Williamson, 1985, Greer, 1994) and the bureau-shaping model (e.g. Dunleavy, 1991) are some other scholarly contributions developed under the rational choice perspective and the economic theory on public organizations that highlight the role of organizational task for agency autonomy and control.

The nature of the primary activity an agency engages in is expected to be an important determinant of its level of autonomy and control. Various theorists within the rational choice school of thought expect task characteristics to act as an indicator of agency autonomy and control. (Ter Bogt, 1998; Bouckaert & Verhoest 1999).

Autonomy and control of public sector entities can also be explained by referring to various economic organization theories such as transaction cost theory, property rights theory, agency theory and public choice theory and rational choice theory (Bouckaert & Verhoest, 1999). These theorists expect that the level of agency autonomy varies with the type of task it assumes. Certain task conditions are identified by different scholars and researchers, to be suitable to have agencies created

at a distance from the central authority. According to Roness et al (2007), four dimensions stand out in the literature: the measurability, clarity of objectives, homogeneity of activities, and asset-specific investments. These task characteristics act as indicators of the level of monitoring and control by the principal.

Furthermore, since agencies involved in general public service, business and industrial services portray more of the above-mentioned task features, the rational school of theorists expect such entities to demonstrate a higher level of autonomy as compared to those organizations that are involved in policy advice, regulation and exercising other forms of public authority (Verschuere, 2005a).

The primary task of a public organization influences its internal management and determines its relationship to its overseeing body and other actors in its environment (Pollitt et al., 2004; Verhoest et al., 2010; Wilson, 1989). Moreover, the type of agency task determines the nature of control required and exhibited by the parent ministry. Public organizations are classified on the basis of the task and activities they carry out, which determines the extent to which their outputs and outcomes are measurable. (Bouckaert & Peters, 2004; Verhoest et al., 2010). Various theorists believe that the nature of control and the degree of autonomy depend upon the type of task an agency is involved in. Theories based on the principal-agent perspective state that organizations undertaking production tasks which are measurable and defined objectively can be monitored and controlled easily by their overseeing bodies (Jensen & Meckling, 1976). Thus, it can be expected that:

H3a: Agencies involved in service delivery are usually delegated with more managerial autonomy as compared to those that undertake complex non-service production or delivery tasks.

However, as per the principals of NPM, an enhanced degree of managerial autonomy is coupled with an alleviated level of result-oriented control measures. This leads our argument to another related hypothesis that,

H3b: Agencies offering service delivery tasks will be more autonomous but encounter more-result based control in comparison to agencies rendering other types of primary tasks.

The size of the public agency is another structural-instrumental factor that can influence the degree of autonomy it enjoys (Egeberg, 1999). This is measured in terms of the number of staff it employs. For the parent ministry, it gets complicated to control such huge entities (Verhoest et al., 2010). Similarly, “size of the agency may refer to the agencies’ capacity to forge more autonomy or to resist control efforts from superior bodies”. (Carpenter, 2001). Larger entities could generate expertise and authority on the basis of ample resources they might have to meet their intended objectives. From a principal-agent perspective, it may aggravate the problem of information asymmetry and goal incongruence and make it harder for the principal to monitor the behaviour of the agent. Therefore, it can be hypothesized that

H4: Large agencies with more structural capacity will be more autonomous than smaller ones.

Studies indicate that political salience is another task-related factor that affects agency autonomy and control (Judge, Hogwood, & McVicar, 1997; Pollitt, 2006; Verhoest et al., 2010). Agencies operating in politically sensitive sectors are prone to be under the influence of political leaders and parliament; thereby, rendering constrained, perceived levels of managerial autonomy. Another indicator of political salience as stated in Pollitt et al. (2004) and Pollitt (2004, 2005) is the nature of the policy sector a specific agency lies within. Based on the agency typology of United Nation Classification of Functions of Government (COFOG), those agencies that fall under the first category of welfare state and social policy domain are assumed to be more politically salient as they relate to the citizens profoundly and may have a compromised level of autonomy as compared to those that exist in the economic sector or any other apart from these two categories (cf. Pollitt, 2005: 128). Since agencies that lie in the economic or any other policy area apart from the first classification interact and affect specific target groups, are expected to be less politically salient but might enjoy a greater level of autonomy because of facing market-oriented competition.

H5: Agencies in the welfare or social sectors are more politically salient and may be less autonomous as compared to agencies lying in the other policy sectors.

In a study of British agencies, Hood and Dunsire (1981: 76-94) asserted that the size of the budget and the number of staff is another indicator of the political salience of agencies in the public sector. Especially those agencies which have substantial budgets are liable to be more under scrutiny and constant interference by the political heads (parliamentary members) and media (Hood & Dunsire, 1981, Pollitt et al., 2004). This assumption takes us to hypothesize that:

H6: Agencies having large budgets will have a lower level of autonomy and a high degree of control.

H4 and H6 are related, though imperfectly. To begin with, some agencies incur greater expenses because of their cost of production like infrastructural costs, while others distribute large sums of money. Furthermore, larger agencies with more resources may have more operational capacity and thus more room to act autonomously in practice (which is the basis of H4). On the other hand, however, larger agencies may be more salient and subjected to more control (this is the basis of H6). It remains to be seen empirically which of hypotheses will be confirmed.

The source of income is another indicator of the task. If a public organization is able to sustain itself through its own earnings, it may not be dependent on its parent department or any senior government authority for its finances. In such a situation the superior authorities have less control over it. On the contrary, if an agency relies more on its superior authority for its income, it is highly likely to be controlled extensively (Gains, 1999). An additional source of income-generation apart from the budget assigned by the parent ministry is considered to be another important determinant of the level of perceived managerial autonomy. If an agency relies on extra revenue generation for its financial resources by imposing tariffs and charging service fees it will be less financially dependent on its parent ministry. Agencies that carry out service delivery tasks to their direct clients need more autonomy and flexibility to respond to the clients' needs. However, in case of its dependence on the government for funds its decision-making discretion will be compromised. Another case is if the agencies partially obtain their funds from the government, then they are not bound to follow their commands strictly. Therefore, the extent of its financial autonomy depends on

the extent of government funds and self-generated income it acquires. This means that ministry-agency relationships are affected by the extent of financial dependency of the agency on the state budget (Greer, 1994; Pollitt, 2005; Verhoest et al., 2004, 2010; Bach, 2014). Generally, considering the varied options of funding, it is expected that:

H7: Agencies that have a greater proportion of self-generated income will have more autonomy than agencies with a small proportion of self-generated income.

Constraints on decision-making and curtailed discretionary power of managers in autonomous bodies could also result from the agency head being appointed, evaluated and remunerated by the government itself or from the government having a majority vote in the agencies supervisory board.

The structural-instrumental perspective implies that the perceived autonomy of a public agency should correlate with its formal autonomy, although this is not confirmed in various studies (Pollitt et al., 2004; Roness et al., 2008; Verschuere, 2007). This perspective provides some insight into the processes of autonomy and control, but often agency practices are not in complete adherence with its legal doctrines. This implies that the formal structure of agencies cannot be taken to be the only indicator or predictor of the agency autonomy and control pattern. Different categories of agencies exist owing to variations in their legal status and official powers, thus portraying differential levels of autonomy and control. To acquire a deeper understanding of autonomy and control, contextual agency characteristics need to be assessed. This means we need to go beyond the scope of the legal and formal agency status. (Pollitt et al., 2004).

Since the organizational-structural perspective provides a partial explanation to public agencies autonomy and control features; therefore, this leads us to other institutional models which in combination to the structural approach can be significant in explaining agency trends.

4.2.2.2 Cultural-Institutional Perspective

The cultural-institutional perspective focuses on enablers and constraints in the traditional political-administrative organizational culture established over years which may provide an explanation to the autonomy and control of agencies. This approach focuses on cultural aspects and understands agencies as institutions. Organizational culture refers to the norms, identities, and values prevalent within them, and has the potential to constrain or enable the activities of the organization (cf. Scott, 2001; Christensen et al., 2007). These organizational values and norms evolve over time in line with historical institutionalism or path dependency. This means that the norms and legacies which leave long lasting impressions on the public sector organizations act as enablers or hindrances to the reforms, often depending on existing paths. Furthermore, organizational features, cultural norms and values render autonomy and control differences across different organizations. Therefore, according to this cultural-institutional perspective, the success of reforms depends on the degree of compatibility between existing organizational and national values and cultures.

Today, the agency structures are considered to be complex entities having their distinct cultural identities represented through their informal values and norms developed at an incremental basis. Apart from being instruments to achieve goals and targets, these organizations are also institutions with informal cultural mindsets, which don't just work to achieve technical tasks at hand but become value-bearing organizations, which influence agency opinions and decisions. Moreover, in certain countries, the structural and cultural components of agencies can cause a compromise on its autonomy through close networking and informal connections between political agents (ministers) and administrators managing the public agencies (Christensen & Rovik, 1999). This argument leads us to develop a hypothesis that states:

H8: Agency autonomy can be compromised in the presence of an informal connection between the ministers and the agency administrators.

The age of the agency, which refers to the time period for which the reformed agencies is in its present form, might be an indicator of the degree to which the organization is free of political influences and external pressures. Since organizations that assume a certain distinct and sustained culture of their own, established over a period of years are more insulated than the newly formed ones, it can be inferred that older agencies are more autonomous and have the potential to limit foreign interference in their matters/decisions.

H9: The older an agency is the more autonomy it will have.

4.3 Summary of Hypotheses Based on the Theoretical Framework

This section provides a summary of the hypotheses developed on the basis of theoretical assumptions about the relationship between agency-level features and the nature and degree of autonomy and control. The effects of the agency-level factors, categorized as structural, task-oriented and cultural–institutional, on the autonomy and control of federal agencies are studied. In this chapter we have developed nine hypotheses assumed to explain the autonomy and control of agencies in Pakistan. Table 4.1 summarizes the various hypotheses.

Table 4. 1 Proposed relationship between independent and dependent variables

Independent variable	Effect on autonomy and control (dependent variables)
Structural perspective	
H1: Legal personality	Agencies that are legally independent have more managerial autonomy than agencies without legal autonomy
H2: Governance structure	Agencies having governing boards have more managerial autonomy and are subject to less political control than those without it.

Task perspective	
H3a: Agency task H3b: Agency task	<p>Agencies involved in service delivery are usually delegated with more managerial autonomy as compared to those that undertake complex non-service production or delivery tasks.</p> <p>Agencies offering service delivery tasks will be more autonomous but encounter more result-based control in comparison to agencies rendering other types of primary tasks.</p>
H4: Agency size	Large agencies having the more structural capacity, perceived policy and managerial autonomy will be more than smaller ones.
H5: Policy sector	Agencies lying in the welfare or social sectors are more politically salient and may be less autonomous as compared to agencies lying in the other policy sectors.
H6: Budget size	Agencies having large budgets will have a compromised level of autonomy, while associated with a high degree of control and political interference.
H7: Income source	Agencies that have a greater proportion of self-generated income will have more autonomy than agencies with a small proportion of self-generated income.
Cultural-institutional perspective	
H8: Informal contact	Agency autonomy can be compromised in the presence of an informal connection between the ministers and the agency administrators.
H9: Agency age	The older an agency is the more autonomy it will have.

PART B: RESEARCH STRATEGY AND CONTEXT

5 Research Design and Methodology

5.1 Research Design and Methods

This study aims to analyze and explain the struggle over autonomy and control of agencies in Pakistan. In line with previous studies, mostly conducted in Europe, this study analyzes *generic* factors of agency design and management which may explain the autonomy and control of agencies. In addition to that, specific features of the Pakistani politico-administrative context are taken into account. To facilitate this approach, this study adopts a mixed methods approach, combining quantitative data, collected in two waves (2012 and 2017), with qualitative data.

The quantitative approach enabled the researcher to test the hypotheses developed in chapter 4 on the explanations of and variations in autonomy and control of agencies in Pakistan. Additional qualitative data were collected via in-depth interviews with key informants. The rationale was to explore how and which state-level features affected managerial autonomy and control measures and also to be able to take the local administrative culture into account. A further rationale to adopt a sequential explanatory research design was to recognize inherent biases and limitations of each individual approach. It offers advantages to use a mixed method approach for neutralizing such biases (Creswell, 2009).

5.1.1 The survey

“In quantitative research, an investigator relies on numerical data” (Charles & Mertler, 2002). The aim of the survey is to build a database for descriptive and explanatory analysis of the perceived autonomy and control within the autonomous federal agencies of Pakistan. The focus is the level of managerial autonomy and control of public sector organizations; in particular, autonomous and semi-autonomous state agencies having a varied legal presence but existing at the federal level. Therefore, a survey of autonomous bodies existing at the federal government level is conducted.

This study is based on a survey distributed in two waves in 2012 and 2017 on all the federal public sector organizations that operate under the domain of a federal ministry or division of the central government. The first wave of data collection in 2012 was an adaptation of similar surveys carried out in several European as well as Non-European countries under the umbrella of COBRA (Comparative Public Organization Data Base for Research and Analysis) (COBRA - Comparative Public Organization Data Base for Research and Analysis , 2010). The second wave in 2017 was conducted to further increase the sample size of federal agency responses. The survey questionnaire was sent to all the other agencies whose responses were not acquired in the first wave and no duplication of data occurred since the researcher ensured it throughout the process of data collection.

5.1.2 Sample

The sample comprised of national (federal) organizations with or without regional or duplicate units in different cities. All the federal ministries that existed through 2012-2017 were represented in the dataset. Public Organizations that met the following criteria as developed by COST CRIPO network in its Cobra survey were included in this study. It could be a:

- Unit of the federal government
- A semi-autonomous organization without legal independence but with some legal autonomy.
- Private or Private law-based organization, established by or on behalf of the government like a foundation or corporation, company or enterprise.
- Private or private law based not-for-profit organization established by or on behalf of the government like a foundation.
- Other type of organization – not able to classify the organization in one of the above-mentioned types.

5.1.3 Distribution

A single survey questionnaire (Appendix C) was sent to each organization. It was either mailed to one of the key respondents (posted on BPS Grade-18 and onwards) of each agency in a total population of about 438 federal agencies via courier as well or through electronic mail. It was sent directly to the organization's or division heads or directors who were prior to the dispatch of questionnaires also reached via telephone and personal requests were made to them to either fill it out themselves or to delegate the task to a relevant senior manager who is well-informed about the agency dynamics and its relationship with its parent ministry.

Contact details of potential respondents were obtained from the websites of the agencies. Another source of researcher- respondent contact were two different workshops held at the researcher's institute, whereby initial introduction of the research study and contact details were generated, and subsequently, potential respondents identified were reached via post or emails to deliver copies of the survey questionnaire. The respondent was asked to fill it out on behalf of his/her organization.

Some of the respondents informed via telephone that the questionnaire was completed after consulting other knowledgeable agency personnel to provide answers to certain specific items, mostly factual data (independent variables), such as total no. of full-time employees (FTE's), budget size, and board composition. The questionnaire was dispatched only after the consent of senior personnel of every organization both via email and/or regular post to all the organizations in the total population. Some of the organizations were apprehensive to fill out the questionnaire received either through regular or email was reached in person by the researcher. This happened mostly for autonomous bodies present in Lahore and Islamabad since they were conveniently accessible.

5.1.4 Responses

The response rate was 33% of the total population of 438 federal level agencies in Pakistan (N=438). Completed questionnaires were not resubmitted directly; rather the respondent had to be reminded multiple times. The main reason for this is unfamiliarity with academic research in our government. Secondly, the culture of frequent meetings held daily at senior management levels within our public sector organizations was another factor contributing to a delayed response. Out of the filled response, about 35% responded via the electronic version (emails) of the survey, whereas 65% answered on paper sent officially through postal mail.

Table 5. 1 Responses and response rates

	Total N
Sample	438
Responses first wave: 2012	102
Responses second wave: 2017	43
Total N responses	145
Response rate	33%

In both stages data was entered and analyzed using SPSS preformatted spreadsheets provided by the COBRA network. At a later stage, at the verge of cleaning the data, the respondents were reached again via telephone to obtain responses to missing values. This happened mostly for scale variables or data related to factual variables; agency staff size (FTE's), budget size, tasks and board composition. To cross-check and verify those fields/questions that were entered by the respondents, secondary data available at the agency websites and other government resources like annual budget bulletins (pink book) and publications on administrative reforms by National Commission for Government Reforms was accessed to verify the filled response. Since there were a few incomplete responses, therefore the process of verifying some responses by extracting data from secondary sources rendered the data more complete, accurate and verifiable. This enhances the reliability and authenticity of primary data collected by the researcher.

5.1.4.1 Comparing responses in the two waves.

For the sake of identifying any differences between the two waves of responses, descriptive statistics were run on both old (2012) and new (2017) data sets and differences identified are summarized in Table 5.2 (see for further details appendix H). The table shows that some of the responses do differ between the two survey waves, yet not on most items.

Table 5. 2 Data response similarities in two time periods (2012 and 2017)

Variable name	Difference in stage 1 and stage 2 responses	Variable name	Difference in stage 1 and stage 2 response
Accountable to parliament	No	Goals specified in CEO objective doc	No
Legal type of agency (in our mother tongue)	Yes	Goals specified in internal doc	Yes
Type of agency	Yes	Goals specified in another doc	No
Agency age	No	Reporting	Yes
Agency year of set up	Yes	Rewards	No
Number of employees	Yes	Sanctions	No
Budget	No	Regular audit	No
Income source	Yes	The organization itself regular audit	No
Legal personality	No	Others regular audit	No
Personality type	No	Government regular audit	No
State type	No	Court of audit regular audit	No
Policy field	Not much	Oversight authorities regular audit	No
Primary tasks	Not much	Ad hoc audit	Yes
Secondary tasks	Yes	Organization did ad hoc audit itself	Yes
Strategic HRM autonomy	No	Others ad hoc audit	No
Operational HRM autonomy	Yes	Government ad hoc audit	No
Financial autonomy	No	Court of audit ad hoc audit	No
Policy development autonomy	Yes	Oversight authorities ad hoc audit	No
Policy implementation autonomy	No	Governing board	No
Goals specified in contracts	No	Advisory board	Yes

Goals specified in the statute	No	Board composition	Yes
Goals specified in subsidy doc	No	Board appointment	No
Goals specified in the budget of allocations	No	Agency head appointment	No
Goals specified in regulation	Yes	Agency head contract	No
		Agency head evaluation	No
		Agency head accountability	No
		Formal contact and Formal contact	No

5.1.5 Variables

The study is divided into three clusters which address the key areas of investigation. The clusters are namely:

1. Autonomy of the organization
2. Control of the organization by parent ministry/minister and other government bodies.
3. Identification and environment of the organization (independent variables)

The dependent variables in this study are different dimensions of autonomy and control. Additionally, numerous independent variables were collected. We will describe each in turn.

5.1.5.1 Autonomy

To conduct analysis on agency autonomy, it is measured against three dimensions, namely, 1) Human Resource Management Autonomy, 2) Financial Autonomy, and 3) Policy Autonomy.

1) *HRM autonomy* is based on a strategic and an operational sub-dimension.

Strategic HRM autonomy is measured via an additive index based on five items which measure the extent to which the agency can take strategic decisions (i.e. general rules and standard operating procedures) regarding the level of salaries, staff promotion, and staff evaluation, hiring and downsizing of staff.

Operational HRM Autonomy is also measured via an additive index based on five items. The items measure the extent to which the agency can take an operational day to day decisions pertaining to individual staff members, regarding their level of salaries, staff promotion, staff evaluation, staff appointment, and dismissal. Operational HRM autonomy measures the degree of ministerial intervention in the agency's routine management of its personnel (staff).

Strategic HRM autonomy is initially converted into an additive index by dividing all five items over 5. Later on, for the purpose of explanatory analysis, this additive index was recoded into two categories, ranging 0-0.5 for instances of low strategic HRM autonomy and .51-1.0 for instances of high strategic HRM autonomy. However, to establish whether all the items reliably measure strategic HRM autonomy Cronbach's Alpha was calculated to determine the reliability of this scale. This gave us the Cronbach's alpha coefficient which for a high internal consistency should be over .7. In this case, $\alpha = .886$, which shows the questionnaire is reliable. Most items measuring strategic HRM autonomy appeared to be worthy of retention, resulting in a decrease in the alpha if deleted. Therefore, removal of no item should be considered.

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.886	.888	5

In a similar way, operational HRM autonomy was also firstly converted into the additive index and later on, with the same recoding method converted into two categories. Further on, to determine the reliability of the items of operational HRM autonomy, Cronbach's alpha was calculated and for this case, $\alpha = .820$, which shows the items measuring operational HRM autonomy are reliable and internally consistent

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.820	.819	5

2) *Financial autonomy* consists of four sub-indices. These items measure the extent to which the agency can take financial decisions pertaining to taking loans for investment, setting tariffs for services or products, shift between the budgets for personnel and running cost and shift personnel-running cost and investments budgets.

This additive index was constructed by dividing all four financial items over 4. Afterwards, financial autonomy was also recoded into two categories, ranging from 0-0.5 for instances of a low degree of financial autonomy and 0.51-1.0 for instances of a high degree of financial autonomy. Moreover, to assess the reliability of the items measuring financial autonomy, Cronbach's alpha was calculated and for this construct, $\alpha = .728$ which also indicated that the items measuring financial autonomy are reliable.

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.728	.728	4

3) *Policy autonomy* is divided into two sub-variables, namely, policy development autonomy and policy implementation autonomy. Policy development autonomy measures the extent to which the agency can take decisions about the choice of the target group to frame its policy in relation to its parent ministry. Secondly, policy implementation autonomy measures the extent to which the agency can take decisions about the choice of policy instruments for its policy in relation to its parent ministry. For the explanatory analysis of

policy autonomy, the researcher used policy development autonomy and policy implementation autonomy separately and received responses against the scores (0, 0.20, 0.40, 0.60, 0.80, 1 and 99). This scoring was based upon the scale already developed by COBRA to analyze policy autonomy and whose survey tool was used to conduct the quantitative part of this study. Now to assess the reliability of the items measuring policy autonomy, Cronbach's alpha was calculated and for this construct, $\alpha = .828$ which also indicated that the items measuring policy autonomy are reliable. Note that with two items, Cronbach's alpha may underestimate the reliability (Eisinga, te Grotenhuis, and Pelzer 2013).

Reliability Statistics

	Cronbach's Alpha Based on Standardized Items	N of Items
Cronbach's Alpha	.828	2

5.1.5.2 Control

The autonomy of public entities is linked to their control, which is measured through the mechanisms and instruments used by the government to influence the decision-making competency of the agencies. In this study control is measured through a large number of not necessarily related indicators, describing the four types of control identified: ex ante, ex post, structural and informal.

Ex ante control is measured with the following items:

- **Performance indicators** (index variable): This variable indicates the documents in which goals (performance indicators) of the organization are specified and whether these goals refer to measurable targets.
- **Agency evaluation:** For evaluation of the agency, respondents were given five different options; organization evaluates results, parent ministry evaluates results, third part by order of organization evaluates results, third part by order of parent ministry evaluates results, others evaluate results. They were given the choice to select more than one of the statements if valid. It was measured via calculating an additive index of

all the nominal variables which were coded as 0=No, 1=Yes. The options given were, Our organization is not subject to a regular audit, We do it ourselves, We contract other to do it, Yes , By another unit of the executive government, By a court of audit linked to the parliament does it, By other actors commissions by the oversight authorities.

In this study, ex post control is measured with the following items:

- **Frequency of reporting to the parent ministry:** This variable measures how frequently the agency reports results and achieved goals (refer to measurable targets) to political or the administrative senior unit. The frequency with which the agency reports to its ministry or division overseeing it is a measure of its ex post control.

- **Rewards and Sanctions:** Another indicator of control in public organizations studied is the system of rewards in case of good results or on achieving targets for the organization. Imposition of sanctions against target shortfalls and awarding extra incentives for achieving goals and targets is considered to be a result-oriented approach to control public agencies by the parent ministries or any overseeing governing body. Agency Control through System of Rewards and Sanction is measured through nominal variables.

Reward is measured through four items and with a coding of 0= No, 1= Yes. The sub-variables of reward are; wage increase reward: 0: no; 1: yes; resource allocation increase reward: 0: no; 1: yes; Autonomy increase reward: 0: no; 1: yes; other rewards: 0: no; 1: yes. Whereas the nominal variables measuring sanctions are; wage decrease sanction: 0: no; 1: yes; resource allocation reduction sanction: 0: no; 1: yes; autonomy reduction sanction: 0: no; 1: yes, restructuring or abolishment sanction: 0: no; 1: yes; other sanction: 0: no; 1: yes

Structural control is measured with the following items:

1. **Appointment of board members:** The process and criteria to appoint members of executive bodies of agencies is another factor that determines the degree of autonomy held and amount of political control exerted over agencies through board members. It is a nominal variable measured through receiving

responses against these options; 0: not applicable; 1: By the government or minister; 2: government after consultation of the organization; 3: general council of the organization; 4: government after consultation of interest groups; 5: By the parliament after nomination by minister or government; 6: By another actor

Given upon the question; In case your organization has a governing board, by whom or which actor is it appointed (are the members appointed)?

2. Board composition (comprises of government and/or non-government members): The composition of the governing board is another indicator of the nature of government and ministerial control over the agency operating under them as an independent or attached department. Board composition is divided into two categories; Government and non-government members. Each is measured via calculating an additive index of the nominal variables, coded as 0=non-government member, 1=government member for all the different options of either government or non-government members.

3. Agency heads evaluation: By whom or what actor is the performance of the agency head formally and regularly evaluated with regards to the achievement of objectives set for him personally. The given options included the government or minister, governing board of the organization, parliament (and its committees), other source and no evaluation. It was measured via calculating an additive index of all the nominal variables which were coded as 0=No, 1=Yes.

4. Accountability of agency head: The accountability of the agency head to the parent ministry or other superior government authority is checked against various bases of accountability. The head may be accountable for the agency results and goals achieved, accountable based on the general functioning of the agency, in terms of financial accountability or legal and rule-based accountability. This ordinal variable was measured by calculating an additive index of all its 5 categories for which we received responses against the scores (00=no not at all; 0.25= To a small extent; 0.5; 0.75= To some extent; 1: to a very great extent/fully).

5. Appointment of Agency head: The process and criteria to appoint head of agencies is another factor that effects the degree of autonomy held and amount of political control exerted over agencies through its executive head. It is a nominal variable measured through receiving responses against these options; 0: not applicable; 1: by governing board; 2: by government; 3: by government after consultation; 4: by general

council; 5: by parliament; 6: by others, given upon the question; By whom or which actor is the CEO of the organization appointed?

Informal control is measured with the following item:

- **Frequency of informal contact between the agency and political head.** It measures the no. of times the senior management of an organization has an informal contact with the responsible political and/or administrative superiors (minister/parent ministry). This ordinal variable was measured for the options given by assigning the scores, 0= not relevant; 0.14 =never; 0.28 =less than once a year; 0.42= yearly; 0.56 =twice a year; 0.70= trimestral; 0.84= monthly; 1= weekly

5.1.6 Independent variables

In our nine hypotheses, numerous independent variables are linked to autonomy and control. We describe them shortly below.

Legal personality. Some agencies have their own legal personality/identity while others are part of their parent ministry.

Agency task. We distinguish five generic types of agency task: policy formulation, regulation/scrutiny; other public authority; general public services; business and industrial. (<https://www.cost.eu/actions/IS0601>)

Policy field. We used the UN's COFOG-criteria to identify policy fields. These are: 1: general public services; 2: defense; 3: public order; 4: economic affairs; 5: environment; 6: housing and community; 7: health; 8: culture; 9: education; 10: social protection.

Agency year of set up. For the explanatory analysis, agency year of set-up was recoded into four categories, ranging from 1929-1946, 1947-1979, 1980-1999 and 2000-2017. Agency year was recoded into four distinct categories based on varied reform policies of different ruling political regimes. 1929-1946 was the pre-inception period under united India, 1947-1979 was under the rule of a democratic government; 1980-1999 was a period of NPM movement and the process of agencification was the core policy framework which occurred in response to the Structural Adjustment Program endorsed by the international financial institutions (World Bank and International Monetary Fund) in 1980. Therefore, the creation of agencies

during 1977-1999 is mainly attributed to the Structural Adjustment Program, signed by Pakistan, as a part of the neo-liberal model of development; finally, 2000 onwards saw both democratic and military rulers.

Agency age. Here, two categories were formed: ranging 1-9 years for instances of young agency and 10 years and above for instances of old agency. This categorization was done to see the effect of no. of years of inception on its autonomy.

Agency size was first measured through the number of full-time employees (FTE's). This variable was subsequently recoded into three categories i.e. 0-999 as small size of the agency, 1000-4999 as the medium size of the agency and 5000 and above the as large size of the agency.

Agency size was subsequently measured through the size of the budget. The budget was also recoded into three categories, 0-499 million referred to a small agency, 500 million - 999 million as a medium agency and finally, 1 billion -188 billion as large agencies.

5.2 Statistical Methodology

To describe and explain the level of and variation in the perceived autonomy and control of federal agencies under study the techniques used are as follows.

5.2.1 Quantitative data analysis techniques

For the purpose of quantitative data analysis (for both waves 1 and 2 of quantitative data collection), Descriptive statistics like frequency distribution, cross-tabulation, and Spearman rho correlation are performed. Frequency distributions show frequency of occurrence for each category of all the variables in both old and new data sets. Cross-tabulations are used to summarize the relationship between two categorical variables and are also known as contingency table (Bryman, 2008). Cross-tabulation showed the number of times the occurrence of each category combination in the collected data set. Being dominantly categorical variables, it seemed appropriate to employ cross-tabulation. In addition to that, the adoption of total population method further justified the use of such descriptive tests on collected responses. Total population sampling is a type of purposive sampling where the **whole population of interest** (i.e., a group

whose members all share a given characteristic). Since for the survey conducted in this study, all the organizations functioning under the federal government were sent the questionnaire, therefore the researcher adopted a total population sampling technique. However, it is not mandatory that each organization responds. As in this study out of a total of 438 federal agencies, 145 responded to the survey form.

However, multivariate analysis techniques are not used as a result of skewed distributions of the data set as well as categorical independent variables. Variables of this study being dominantly categorical make it appropriate to employ the method of cross-tabulation. Moreover, cross-tabulation shows the possible number of times the occurrence of each category combination in the collected data set. To assess the strength of the relationship among variables, the study also used Spearman Rho Correlation. Since many study variables were of the nominal or ordinal level of measurement, this also renders non-parametric tests appropriate for data analysis.

Table 5.3 below summarizes the descriptive statistics for the dependent and independent variables.

Table 5. 3 Mean of Study Variables

Descriptive Statistics	N	Minimum	Maximum	Mean	St. deviation	Mode
Strategic HRM autonomy	145	.00	1.00	.4856	.29913	
Operational HRM autonomy	145	.00	1.00	.4238	.26276	
Financial Autonomy	144	.00	1.00	.2612	.25597	
Policy autonomy	144	.00	1.00	.7326	.22681	
Agency Head Accountability	140	.00	1.00	.5554	.23396	
Agency Evaluation	145	.00	1.00	.3255	.13322	
Performance Indicators	144	.00	.88	.2500	.16692	
Governing board appointment ²	145	.00	6.00	1.22	1.244	1
Agency head appointment	145	.00	6.00	2.32	1.088	2
Reporting Frequency	145	.00	1.00	.7241	.25720	
Governing Board	145	.00	1.00	.70	.458	
Formal Contact	142	.00	1.00	.7569	.25316	

² Governing board appointment is measured as a nominal variable, which is scaled as; 0: not applicable1: government; 2: government after consultation of the organization; 3: general council of the organization; 4: government after consultation of interest groups; 5: parliament; 6: other.

Informal Contact	141	.00	1.00	.7465	.30854
Government Board Composition ³	144	.00	1.00	.4826	.38961
Non-Government Board Composition	144	.00	.63	.1727	.14708

Qualitative analyses

This study additionally adopts qualitative research – focusing on the same variables as the quantitative analyses – as an addition to the survey.

The rationale behind using both quantitative and qualitative techniques is that both, when used in combination, provide a richer, more detailed and complete analysis of a research object (Green, Caracelli, & Graham, 1989, Tashakkori & Teddlie, 1998). Combining quantitative and qualitative research deepens our understanding of phenomena through triangulation. The researcher believes that semi-structured in-depth interviews complement the data collected earlier and provide a more comprehensive picture, while addressing the research questions based on what and how situations (Bryman, 1988, 1992). Another factor that renders a mixed method approach promising is that it could further provide a more interpretive meaning to the statistical findings generated in the initial phase of quantitative data collection. Besides, personalized opinions of agency and ministry personnel also provide an elaborated meaning to all the variables under analysis as well their relationships.

5.2.2 Qualitative data collection and analysis methodology

The data collected in the qualitative part of this study aim to build upon the results of the quantitative survey. The prime focus of in-depth interviews is to probe deeper into the perceived practices of public agencies pertaining to their autonomy and degree of control exerted upon them by the overseeing senior government authorities. Additionally, the interviews investigate how contextual factors affect the managerial autonomy and control of these federal bodies. Respondents explain autonomy and control in reference to

³ Whereas, Government and non-government board composition are measured by taking additive index of the nominal variables for each category measured against the scales;0=No;1;Yes. No refers to non-government member, while Yes means a government member.

Moreover, these variables are also measured in percentages and frequencies as shown in Table 7.23

their specific experiences in Pakistani public administration. Therefore, additional contextual information was obtained by conducting in-depth interviews of both agency and ministry personnel.

However, the researcher in this study did not probe about the role of agency task, its budget-size and age in the interviews because these variables were already disclosed through the survey questionnaire and already verified by the researcher from secondary sources as mentioned earlier in sec. 5.1.4. Moreover, considering the culture of research within the public sector organizations in Pakistan, which is not very conducive towards data collection, the researcher during interviews could not cover each and every question listed in her interview guide owed to this limitation.

Also, chapter 6 specifically narrates the Pakistani context as it presented itself historically after its inception in 1947. Different factors arose with time which kept on changing the structure of public sector governance in Pakistan. The administration of state institutions in Pakistan has always presented a blend of bureaucracy inspired by its colonial values and politically designed agenda. The previous two democratic governments and the military regime under President Pervaiz Musharraf were engaged in creating state agencies primarily for self-glorification and to exercise power. Such elements acted as a hindrance in the way of productive governance within structurally disaggregated agencies resulting in deficient public service delivery. Therefore, another purpose served by the second phase of data collection is to disclose some of the most prominent actors and factors perceived to affect the dynamics of agencification and the relationship between the principal (ministry) and the agent (agency).

5.2.3 Type of respondents/type of agencies/criteria of agency selection

The interview respondents are senior public officials or governing board members of federal agencies. Semi-structured interviews of 30 senior management personnel of 16 agencies out of the 145 surveyed in the first phase of data collection were conducted (for a detailed data on all interview respondents, relevant organizations and ministries please refer to Appendices A and B). These agencies were chosen by the researcher based on the criteria of selecting two agencies from each legal type of agency structures,

categorized according to the COBRA survey as per the classifications developed by COST CRIPO (type 0-type 4). Type 0 agencies are labeled as units of the government; Type 1 as without legal independence but some autonomy (Semi-autonomous agencies); Type 2 is labeled as legally independent organizations (based on statutes) with managerial autonomy, either based on public law or private law; Type 3 is referred to not-for-profit organizations while Type 4 are categorized as private law based corporations such as registered companies and corporations.

Two respondents holding different hierarchical positions in agencies categorized as autonomous bodies, semi-autonomous, attached departments, not-for-profit and private- law based corporations each were interviewed. The reason for making the legal type as the selection basis is that since the independent variable; legal type of agency is strongly correlated to all the dimensions of autonomy, it can be justified to make it the criteria to choose agencies to conduct interviews from. Since the total population of federal agencies and every organization which was surveyed upon belonged to either of the legal type categories spelt out by COST-CRIPO, therefore perception of each legal type of agency respondent could present a thorough, comprehensive and reliable depiction of the real state of governance in our state agencies as experienced by those working in them or monitoring and regulating them as ministry representatives. The response of both respondents from each agency is combined to present an overall perception of de facto autonomy and control. Whereas, expert interviews of senior bureaucracy; secretary and joint secretary, serving within the line ministries, under whom the agencies are working is also conducted, to supplement the views of agency officials.

Subsequently, nine semi-structured in-depth interviews (Please refer to the interview guide in Appendix E) were also conducted from the secretary and joint secretaries of those ministries and cabinet division under whom the agencies were operating (For a detailed data on all interview respondents, relevant organizations and ministries please refer to Appendices A and B). The insight provided by federal ministry officials generally validated the perceptions of agency employees. The researcher aimed to select two or multiple respondents from the same agency or ministry who would give a variety of opinions, to acquire a broader and realistic picture of autonomy and control of agencies. Considering the total number of

interviews conducted with the agency and federal ministry personnel, and the amount of data gathered through them, it was decided to employ one of the Computer Assisted Qualitative Data Analysis Software (CAQDAS) known as NVivo commonly used by researchers and scholars. NVivo is software developed specially to manage and present qualitative data in a concise and efficient manner.

A total number of 39 interviews were conducted within a period of three months, starting off from 9th August 2018 till the last interview which was taken on 5th November 2018. These interviews were digitally recorded by the researcher on her cell phone application, which is the most convenient digital recording method. However, at the beginning of every interview, the researcher informed each respondent about her intention to record it both digitally and by taking notes manually and in English, which happened after the approval of the interviewee (with the exception of two respondents who indicated their apprehension to avoid any media exposure). The researcher had to rely on memos and manually taken notes. Each interview was transcribed (written in the English language for analysis purpose) right after it was audio recorded to progress in an organized fashion. Most of the interviews were conducted bilingually in both English and Urdu (the official language of Pakistan). The interviews were cautiously translated from Urdu to English by the researcher. Later on with the completion of all the transcriptions, the next step was to import them into the NVivo software template. Some of the interviews were directly transcribed within NVivo, which not only saved time but also made the researcher retrieve and access the recorded data more efficiently. This method of transcribing directly into NVivo enabled the researcher to listen to important verbal data repeatedly which sometimes might get ignored when transcribed traditionally in word files. The researcher also took notes in memos keeping in mind the important study variables and prominent opinions and themes that kept on recurring frequently. Once each interview was transcribed it was coded by developing Nodes in NVivo. Therefore, the interviews were thoroughly analyzed using NVivo software. Child nodes were created under level one codes where and when required, thus, to see emerging themes and patterns. Although an initial list of codes (First level coding) was generated by the researcher based on the conceptual framework, extracted from the theoretical constructs which

formed the basis of the interview guide. The interview guide projected the main study variables which were extracted from the conceptual framework of this study. However, as the process of creating nodes progressed the researcher kept on detecting new emerging issues and themes which lied outside the domain of the main issues and ideas introduced by the researcher on the basis of the interview guide and its themes. This kept on adding to the list of codes developed initially on the basis of the initial concepts and themes as more interviews were transcribed and coded. Second level coding was done by grouping similar codes and placed them under a broader theme that encompassed first level codes. Detailed codes and sub-codes are outlined in Appendix F.

The qualitative technique of in-depth semi-structured interviews was conducted to supplement the quantitatively generated data. This has provided a deeper insight into the study and integrated results. Criteria for selection of interviewees were to have two respondents, conveniently selected from each legal type of agency. However, to maintain confidentiality and authentic response, the identity of the respondent is not disclosed. Apart from agency personnel, other stakeholders, such as the senior ministry officials; mostly bureaucrats, civil or military bureaucrats (serving or retired) were also interviewed.

Thus, it is believed that the research questions can be addressed more comprehensively and provide better insight to perceived autonomy, control, and other agency dynamics when data is not just gathered in numerical form but is complemented with text data as well. Both data collection methods were implemented sequentially.

Table 5. 4 Profile of Respondents/Organizations Interviewed

Respondents affiliation	Legal Type	Organization	Ministry
Commissionerate	Attached department	CCAR	SAFFRON
Deputy Commissioner	Attached department	CCAR	SAFFRON
Director HR	Company (private law)	LESCO	Water & Power
Chief Executive	Company (private law)	LESCO	Water & Power
Marketing Head	Company (private law)	NIT	Finance
Head of Finance	Company (private law)	NIT	Finance
Senior Vice President	Autonomous body	NBP	Finance

Executive Vice President	Autonomous body	NBP	Finance
Director General	Autonomous body	NSPP	Establishment
Dean	Autonomous body	NSPP	Establishment
Executive Director	Autonomous body	PIM	Industries & Production
General Manager	Autonomous body	PIM	Industries & Production
Vice Chancellor	Chartered PSI	PIFD	Commerce
Registrar	Chartered PSI	PIFD	Commerce
Member	AB (not-for-profit)	PGGA	Federal Education &PT
Member	AB (not-for-profit)	PGGA	Federal Education &PT
DG	Attached department	Postal Services	Communications
Ex-DG	Attached department	Postal Services	Communications
Senior Officer	Attached department	Postal Services	Communications
Professor	Semi-autonomous	PSC	Federal Education &PT
Director HR	Semi-autonomous	SMEDA	Industries and Production
Director Admin & PR	Semi-autonomous	SMEDA	Industries and Production
DG	Wing of AB	SMW	Establishment
GM sales	Public Ltd. company	SNGPL	Petroleum & Natural Resources
Deputy MD	Public Ltd. Company	SNGPL	Petroleum & Natural Resources
Manager	AB (Private Law)	TCP	Industries and Production
Rector	Autonomous body	VU	IT&T
DG HR	Autonomous body	WAPDA	Water & Power
DG Admn	Autonomous body	WAPDA	Water & Power
DG Finance	Autonomous body	WAPDA	Water & Power
Joint Secretary	Ministry	Commerce	
Secretary	Ministry	Commerce	
Joint Secretary	Ministry	Food and Health	
Additional Secretary	Ministry	Cabinet Division	
Secretary	Ministry	IT&T	
Joint Secretary	Ministry	IT&T	
Joint Secretary	Ministry	Industries & Prodn.	
Joint Secretary	Ministry	SAFFRON	
Secretary		SAFFRON	

5.3 Concluding Reflections

To sum up the discussion on the research methodology and the strengths and limitations of the research approach employed for the mixed method sequential explanatory design of this study, it can be stated that in case of the quantitative survey, use of an established survey instrument to conduct an empirical study in a new context required certain changes in the terminology and phrasing of questions as per the Pakistani cultural and institutional context. The use of a questionnaire comprising of established items made it easier on the researcher to collect and analyze data collected. Some of the problems the researcher faced in the first phase of data collection were delayed response from the respondent with whom the questionnaire was shared. Secondly, some questionnaires were not timely received. This might be caused by the relaxed attitude (research culture in public sector of Pakistan) of some of the respondents as they might not personally have known the answers to the inquired items and did not want to make an effort to check for it/them from other relevant personnel /questions.

Further, the culture of frequent meetings held daily at senior management levels within our public sector organizations was another factor contributing to a delayed response.

In the second phase of data collection, the researcher encountered certain problems and issues of accessibility. She had to use her personal contacts to take appointments from relevant senior administrators, bureaucrats and political representatives working in various ministries and public agencies Even in case of appointments taken prior to the scheduled date of interview some of the agency and ministerial officials at the time of interview said that they were engaged in some other official assignment or task and suggested the researcher either to take an appointment for some other day or to speak to any other available alternate official whom they considered to have relevant information pertaining to the topic under study.

6 Setting the Scene: Contextual Features of Pakistan and Agency Reforms

This chapter begins with a discussion of relevant contextual features of Pakistan's agency governance. It addresses the second theoretical research question: 'Which contextual factors are likely to affect the steering, control, and autonomy of agencies in Pakistan?'

Before presenting the empirical findings of this study on agencification in Pakistan, it is important to provide an introduction to those factors that exist in the politico-administrative and socio-cultural environment of Pakistan and are likely to influence the autonomy and control of its federal agencies. Later, this chapter presents the governance structure of Pakistan, elaborating on the key actors of the agency network: the military, bureaucracy and political agents. The development of civil, military and other state institutions is also tracked through history, right after the end of the colonial period in 1947. Its colonial legacy lingers on till today, shadowing the entire state structure and its political institutions. The latter part of this chapter then presents the relationship between its civilian and military bureaucracy in a complex political environment.

Over the last seven decades, Pakistan's societal, cultural and institutional structures have influenced its political systems continuously. A historical analysis of Pakistan's dominant state institutions reveals the effect on its system of governance, specifically in the wake of its colonial, social, cultural and political traditions. The frequent change and takeover of ruling power agents between the civil and military dictatorship is another subject of discussion in this chapter. It also talks about how some external factors and forces sitting across the borders of the country play a dominant role in framing the governance model of Pakistan. This was in reaction to the neoliberal model of development introduced in the west and followed by the eastern countries. The Structural Adjustment Program endorsed by supranational financial organizations like the International Monetary Fund and World Bank is one of the offshoots of the neoliberal development model. The cultural diversity of Pakistan based on its regional and ethnic clans are also key determinants of its political power structure. These sociocultural features therefore evidently formulate the dynamics of its governance.

6.1 Governance in Pakistan: The State Structure

Pakistan's independence is an aftermath of a democratic and constitutional struggle. The country has experienced both democratic as well as military forms of government, whereby one system replaced the other in an intermittent way. However, after frequent shuffling, the country is eventually being run in a democratic manner. Pakistan currently has a parliamentary system of governance. The constitution of the Islamic Republic of Pakistan adopted in 1985 provides for a federal parliamentary system with a president as head of state and a popularly elected prime minister, as head of government. The Prime Minister is assisted by his cabinet of ministers⁴. Pakistan is the second largest country of South Asia, having a population of about 220 million. It is constitutionally a federal state divided into four provinces and Islamabad Capital Territory. Gilgit Baltistan and FATA (Federally Administered Tribal Areas) have their respective governments, who enjoy financial and administrative autonomy, particularly after the 18th Amendment. Currently, there are a total of 25 ministries prevalent under the federal cabinet. The total number and form of these ministries keeps on varying with changing political regimes. Sometimes the composition and nature of the task of certain ministries are either narrowed down or merged with another ministry which assumes related functions. Every ministry is headed by a federal minister and has one or more divisions under it. The divisions are headed by a secretary who belongs to the career civil services. Each ministry has a central secretariat, attached departments, subordinate offices of the division/s and autonomous or semi-autonomous bodies.

⁴ (<http://countrystudies.us/pakistan>)

Pakistan's Government Structure

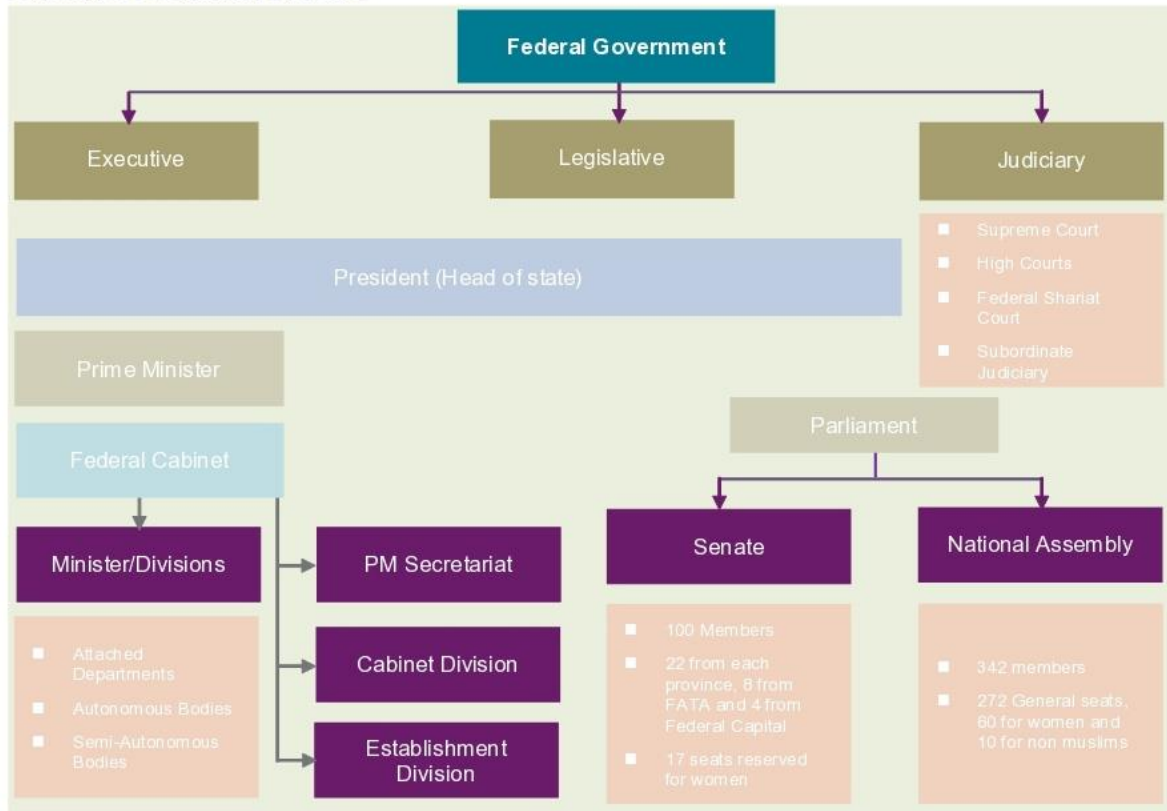


Figure 5. 1 The Structure of Federal Government of Pakistan

6.2 The Organization of Federal Government in Pakistan

The Rules of Business-1973 define the function of ministries, ministers and secretaries and the methodology of conducting the administrative and other businesses of the Federal Government.

Central Secretariat

For the proper functioning of the Federal Government and administering the subjects falling within the jurisdiction of the federation, there are ministries, divisions, attached departments, subordinate offices, autonomous and semiautonomous bodies. The detail is as under:

Ministry

A ministry is a division or group of divisions constituted into a ministry or it may comprise one or more divisions for the conduct of a business of Federal Government in a specified sphere as

declared by the Government. Each ministry is headed by a Cabinet Minister and a Secretary is the administrative in-charge of the ministry.

Division

It also performs functions like Ministry to formulate policies and to ensure their implementation. It is headed by a Minister for State and administrative in-charge is Secretary or Additional Secretary.

Attached Department

An attached department in the Federal Government has a direct relationship with the Ministry or Division. These departments' aid the Ministry in the formulation and execution of the policies, and they are under the control of Ministry or Division.

Subordinate Offices

Each attached department has many subordinate offices, which are known as "field offices". They are under the attached department and perform specific duties. They are responsible for the execution of all the field activities of the attached departments. They are headed by an administrator or Director.

Autonomous/Semi-Autonomous Bodies

Certain Ministries or Divisions have several autonomous, semi-autonomous bodies representing the trend of decentralization for arriving at speedy decisions. The main sectors, under which these bodies are working, are Finance, Education and Banking (A Study on the Civil Service Structure, Civil Servants Training and an Overview of National Commission of Government Reforms in Pakistan. (Imtiaz, 2013)

6.3 The Bureaucracy: Its Past and Present

Pakistan inherited a well- structured and established system of bureaucracy at the time of its independence. In the post-colonial era, the Pakistani bureaucracy was resilient enough to formulate as well as implement policies. This was one of its significant competencies. It was also substantially independent from the political jurisdiction. However, after a period of seven decades, it is evident how the capacity and impact of the bureaucracy has weakened, causing increasing incoherence between policy formulation and

execution, which creates a lot of criticism and dispute within our public sector institutions and ultimately effects their governance. This is one of the key issues addressed in this study. Wilder (2009) argued that over the course of the past six decades, the so-called steel frame of the civil service that Pakistan inherited from colonial India has become decidedly rusty (pp. 19). The concept of ‘steel frame’ refers to the Indian Civil Services and was coined by Llyod George at a time when the whole structure of the undivided Indian government and its administration relied upon it. The structure of the Indian Administrative Service (IAS) was an offshoot of the British India Civil Service, the ICS, which administered the country as a colonial possession from 1858 until 1947 through the district-officer system. Later, with the inception of Pakistan, the Indian Civil Service was divided between Pakistan and India. Although today both countries have distinctly organized civil services the foundation of both rests upon the old system of ICS.

To be able to understand the current condition and status of bureaucracy in Pakistan today, we need to provide details of how this institution progressed or passed through its various phases with changing political rule over the period of seven decades.

6.3.1 Has bureaucracy been politicized?

Since its inception, Pakistan’s socio-economic situation has been in a chaotic situation. This is attributed to multiple reasons, of which the most evident are political instability, rising corruption and prolonged military rules (Aslam & Baloch, 2012).

During the period of 1947-1971, the civil bureaucrats in Pakistan, mainly the elite Civil Service of Pakistan (CSP), were the major players of policymaking and could take and implement decisions without any major interference or influence from the political agents. They had complete autonomy over selection, training, and promotions of civil servants. The political power and legitimacy of the civil servants were tremendously affected at the time of the collapse of the army rule under General Ayub Khan in 1969. The military leadership was equally affected as a result of the army’s rule and the bureaucratic institution was weakened and defamed after Zulfikar Ali Bhutto took over as the Prime

Minister of Pakistan in 1971. The power of the Civil Service of Pakistan (CSP) was further curtailed when in 1973 part of the administrative reforms were purposely designed to enhance political influence and control over the bureaucrats. Bhutto's government eliminated the clause in the 1973 constitution that provided protection to the civil servants, who were consequently left totally dependent on the elected politicians for their postings, promotions, and transfers. Rather this constitutional insecurity led to the politicization of the civil services. His aim was to make the bureaucratic institution completely docile and subservient to the elected politicians, the civil servants became slaves to their political masters, who had the discretion to place them wherever they wished to; thus to serve their own interests. In 1974 about one hundred senior civil servants were appointed through political patronage and they were found to be close allies of Bhutto's ministers. Civil servants attained positions based on political affiliations rather than on merit structure (Soomro et al., 2014).

Such an unstable system of governance also curtailed the authority and legitimacy of the bureaucracy. "This process accelerated in the Bhutto period with the removal of constitutional safeguards in relation to remuneration and conditions of service under the administrative reforms introduced in 1973" (Cheema & Sayeed, 2004).

Later on, in the reign of President Zia in late 1970's the bureaucratic structure was reorganized and serving military officers were appointed in civil service and public sector organizations (Nadvi & Robinson, 2004). Bureaucracy became highly politicized, whereby; appointments, transfers, and promotions were based on political considerations. "Even in the very early days of Pakistan's independence, the civil servants started receiving political pressures for favors." (Iqbal, 2014).

6.3.2 Why bureaucracy got militarized

Jinnah, et al (1965) stated that since the inception of Pakistan, the Military is an institution which has governed the country after taking over from a civilian government on four different instances. It plays a dominant role in the mainstream politics of the country. During the 1960s, General Ayub Khan and General Yahya Khan's military government lead the country, whereas, in the late 1970s and 1980s General Zia-ul-

Haq governed the nation. The period from 1999- 2008 was under the rule of General Pervez Musharraf. Therefore, it is evident that Pakistan has been under the rule of either a military government or either a civilian government (which works under the influence of the military leadership) for almost half of the time of its existence.

In 1977, when General Zia-ul-Haque took over Bhutto's government, this was the beginning of a militarization of bureaucracy. Although he had reversed some of Bhutto's administrative decisions, he still did not intend to reduce the political influence over the bureaucracy. One evident result of his policy decisions was the increase in militarization of bureaucracy. He offered high positions to military officers in the civilian bureaucracy. It became a regular practice of his regime since he had sanctioned a quota of 10% for retired military officers in the civil bureaucratic institutions. His intention behind this policy was to ensure the presence of loyal (to politicians) civil servants within key bureaucratic institutions.

Later on, at the time of President Musharraf's rule (1999-2008), most of the major civil service organizations were headed by retired military officers. They were recruited through the Federal Public Service Commission and placed on senior positions of various civil service institutions. This created a lot of resentment amongst the civil servants as their promotions were withheld because of military appointees (Wilder, 2009).

Up until 2017, the country looked towards the military for major policy issues. It had control over all the state institutions while exerting influence over their policy decisions (Wilder, 2009). The military today is better equipped and organized as an institution in comparison to the civil bureaucracy, which is moving towards an institutional decline. However, with the exception of the democratically elected government of Pakistan Tehreek-e-Insaaf (PTI) in August 2019 under the leadership of prime minister, Imran Khan, efforts are underway to introduce reforms within the civil service, and other government institutions, such as the police, courts, economic reforms, etc.

In the initial few decades of its existence, the Pakistani bureaucracy was capable and to address the problems of its people it took decisions in their favor. This is usually attributed to the fact that the

newly created state had inherited a staunch (iron steel) bureaucracy from its colonial British rulers. This transfer of the British bureaucratic values was accompanied by a similar attitude and mindset of the original ruling elites. It was a major cause of their alienation from the public and their needs. Therefore, in later years, the politics of interest made the administrative machinery highly ineffective. Persistent interference from the governing regime also corroded civilian institutions and had a detrimental effect (Kalia, 2013).

However, another perspective on the current status of the bureaucratic machinery of Pakistan states that the Pakistan Civil Service structure still upholds its traditional state of pride and dignity, and therefore has maintained its status of a steel framed structure (Soomro et al., 2014). After a long period of almost seven decades, the Pakistani civil bureaucracy still remains a dominant class, prominently serving as administrative heads. Despite their ruling status they are neither receptive to public demands nor held accountable for their actions. This ruling class does assume their duty but is said does not bother to serve the public (Kalia, 2013).

Today, the masses in Pakistan perceive 2.4 million civil servants to be unresponsive and corrupt. They also believe that the public sector processes and procedures are very cumbersome, inconvenient, and time-consuming and tend to exploit the public at the time of delivering services. (ICG, 2010). Various reform measures have been taken to counter the ills of Pakistani Bureaucracy since they are the implementers of policies determined by the political heads.

In conclusion to our analysis of Pakistan's bureaucracy, it has been observed that at the time of independence bureaucracy was a well- established and strong institution, as inherited from British India. It continued to be a dominant and a professional entity for many years, but gradually, with passing years and changing political regimes, it experienced varied reputations and political relationships. It often collided with the military regimes and interfered in the political process. Currently, it is involved in corrupt practices and has developed a reputation of an inefficient institution.

Moreover, successive military and civilian governments' reigns have led to inconsistent and disjointed policy framing. Discontinuity of a specific type of political system resulted in failures in the policy implementation process. Specifically, during the 1990s, this was a period of frequent changes in political

governments which resulted in a total setback to policies framed and implemented. Whatever economic, industrial and social policies that were framed by an existing government were discontinued and left in limbo by the succeeding political government (Aslam & Baloch, 2012).

According to different public perceptions revealed through panel discussions on the media and public opinion polls, the civil servants in Pakistan generally have a negative image. Moreover, the ministries, divisions, departments, corporations' commissions and agencies operating at different levels of the government are not equally perceived to be very efficient causing dissatisfaction amongst the public being served. On the other hand, the civil service officers' claim of being treated in an unfair way by their political heads and are not even contented with their remuneration packages. Various empirical studies conducted so far to assess the current state of frustrated civil society actors and demotivated bureaucracy is attributed to structural and procedural fallacies of the overall system of governance in Pakistan (Husain, 2007).

6.4 Political Institutions of Pakistan: Civilian vs Military

The political scene in Pakistan has always elicited itself in two situations: extreme instability and recurring army intrusion. This has created on-going tension between the elected and the non-elected arms of the state. Political instability has resulted in creating a weak legal environment as well as rampant corruption within and across public sector entities. It is generally understood that the law enforcement agencies in Pakistan are the most corrupt public entities in terms of frequency and the number of corruption cases. Rather the anti-corruption departments are considered to be the most corrupt. NAB is one such bureau whose management holds the repute of being involved in corrupt activities themselves. In 2015, 22 officers of the Bureau were dismissed from their service after found to be involved in corrupt practices (Corruption complaint filed against two NAB officials, 2016). Some other government departments in Pakistan, known to be part of corrupt activities are taxation departments, state-owned banks, and development finance institutions, power sector utilities and civil works departments (Aslam & Baloch, 2012). Nadvi & Robinson, (2004) stated that, "The political

landscape in Pakistan has been marked by the growing significance of several political forces in recent years that mark a break from the political dominance of discredited parties and the limitations of civil society activism.”

Gazdar & Ali (2010) stated that the political system of Pakistan is notorious for frequent constitutional amendments and collapse of its political order. Its political institutions are also perceived to be unsustainable, having discontinuous processes, related to the roles of the military and the elite bureaucracy. Even when a democratic government rules it still operates under the influential dictates of the top military elites and a limited group of political favorites’ and ministers.

The civilian governments have always been manipulated by the military leadership beyond its constitutional role even in those times when the country was under the rule of a civilian government. The military leadership has in many instances played the role of a mediator or negotiator to settle political rifts between the governing party and other political actors. The “Commonly perceived reason for military intervention is its weak and unstable political institutions, where corruption is on the increase. The emergence of cold war politics facilitated military takeovers in the past.” (Islam, 2001). “The military also has economic interests in Pakistan which it seeks to protect. According to one analyst, the growth of the military’s business interests encourages the top echelons of the armed forces to support “policymaking environments” that will “multiply their economic opportunities” and such actions are “both the cause and effect of a feudal, authoritarian, non-democratic political system” (Siddiq, 2007).

6.5 Politico-Administrative Features of Pakistan: Appointments

One key factor in Pakistan’s administration is corruption and political appointments. According to a national survey conducted in 25 public sector organizations (government departments) in Pakistan by the Free and Fair Election Network (Fafen), a non-governmental organization, 64% of Pakistanis believe that a considerable level of corruption prevails in government departments. The survey randomly selected and

interviewed 6,030 respondents from 603 locations in the country.⁵ According to Transparency International, the perceived public sector corruption score in Pakistan jumped from 28 to 30 over a period of two years (2013-2015). In terms of implementation, the NAB witnessed a 34.11% increase in the number of complaints between the two years of Government from 17,106 complaints in 2013-2014 to 22,941 complaints in 2014-2015. However, in the year 2016, as per The Transparency International (TI), Pakistan was the only country among the five South Asian Association of Regional Cooperation (SAARC) countries that improved its Corruption Perceptions Index (CPI) score. The Chairman of Transparency International Pakistan, Mr. Sohail Muzaffar commented that, “The CPI score for Pakistan had again increased by one point to 30, and the country’s rank had improved by three, and that Pakistan should have performed better, which can be achieved by having on-ground measures for the implementation of zero tolerance to corruption,”⁶

Public agencies in Pakistan are highly vulnerable to the central bureaucracy and polity of the country. This situation varies between agencies, as it depends upon the policy sector the agency belongs to. Certain agency functions are prone to political interference, owed to its significance in the eyes of the politicians, who consider these entities as breeding grounds to seek extra monetary benefits and authority, power and prestige. The agencies functioning as regulatory bodies, such as Oil and Gas regulatory authority (OGRA) and National Electric Power Regulatory Authority (NEPRA) in the energy sector, portray such a situation as exemplified by their policy decisions which are often inclined towards the vested interests of certain powerful political heads, (Rizwan & Jadoon, 2010). To add further, while the researcher was writing the content of this chapter, the prime minister of Pakistan, against the wishes and consent of the regulatory bodies (functioning as autonomous bodies) placed five crucial regulatory bodies directly under their respective line ministries.

⁵ These respondents were questioned about various governments departments which included health, education, Wapda, Sui Gas, police, Courts, revenue, Election Commission of Pakistan, irrigation, Benazir Income Support of Pakistan (BISP), Nadra, municipality, railways, PIA and Income Tax department (Junaidi, I. (2016, May 07). 64% Pakistanis believe corruption is rife in govt offices, says survey. Dawn, pp.Pakistan. Retrieved from <https://www.dawn.com>.

⁶ APP (2016, January27). Dawn, Pakistan. Retrieved from <https://www.dawn.com>

Reform agents in Pakistan believe that the benefits of the devolved public institutions can only bring any commendable improvement within their operations and performance when bureaucratic actions are insulated from political intervention. One of the major causes of maladministration and bad governance is the constant ministerial involvement in day to day operations of the agencies. Bureaucracy believes political interference in administrative processes to be a major cause of its inefficiency (Khan, 2002). It is expected that in countries that have a democratic system of governance, the elected political agents (ministers in our country) are constrained by the dictates of their political constituents (parties) and its related interests. The ministers are held accountable and answerable for the agency outcomes and not the bureaucracy. In a country like Pakistan, the main issue always lies in the relationship between the civil servants and the politicians, whom they always try to please (Neutrality, 2010).

Although the responsibility to select and appoint heads and key posts of Public Sector Organizations' specifically of the autonomous, semiautonomous bodies, corporations and regulatory authorities at the federal level rests with a Federal Commission which was formed as per the orders of the supreme judiciary body of Pakistan, the supreme court. The commission outlined certain pre-requisites for appointments of key personnel in these entities. Despite such a legal and formal system of recruitment, 22 Statuary Bodies and 22 public sector companies had still vacant leadership positions till the end of the year 2014. This was disclosed after a report compiled by the Attorney General of Pakistan (AGP) in December 2014⁷

6.6 Regional and Ethnic Features

Another prominent feature of Pakistan's social and cultural face is its regional and ethnic reality. Ethnicity refers to groups of individuals who have common cultural, linguistic, religious characteristics and values. It is a country of great cultural diversity within and across its provincial borders. These ethnic groups often affect social, cultural and political aspects of the country. Sindhis, Punjabis, Baloch, or Pakhtuns are the major clans residing in the country. These clans have quite an evident impact on the polity of the

⁷ (http://www.pildat.org/Publications/publication/QualityofGovernance/ScoreCardonQualityofGovernance-SecondYearoftheFederalGovernment_2014-2015.)

country. Every political party in Pakistan belongs to or is associated with a specific regional locality (rural or urban). Moreover, the head of these political parties is actually a representative of his/her own ethnic group, with whom they have their loyalties and merely work for their own regional interests rather than national welfare. Moreover, the party in power tries to provide maximum benefit to its own ethnic-based party and cannot take any policy decisions which are not seconded by its own party lawmakers. Therefore, this blend of ethnic, linguistic and regional grouping acts as a major hurdle in the way of effective reform policy formulation and implementation.

For instance, the controversial issue to build Kalabagh dam⁸ has always been exploited by the regional political agents, who create hurdles in the implementation of any such policy despite the availability of resources⁹. According to Akhtar (2013), the historical and social factors in Pakistan have shaped the interaction between religion-ethnicity and politics. Since Pakistan is a multi-ethnic state, it can be conveniently stated that the government machinery runs under the dictates of powerful ethnic political agents (Neutrality, 2010). Most of the political parties have their own distinct regional identity. Party leaders are usually heads of some ethnic group who compromise their national interests in the favor of the interest and welfare of their own regions.

6.7 Public Sector Reform initiatives in Pakistan

Right from the time of its inception, public sector institutions in Pakistan have been undergoing restructuring and reforms and have adopted various reform measures to achieve multiple objectives determined under successive ruling political parties as well as military-led governments. All these reform efforts aimed to create a more responsive, transparent, efficient and affordable public sector so as to improve the quality of services and strengthen the national economy (Iqbal, 2014).

⁸ The Kalabagh Dam is a proposed hydroelectric dam on the Indus River at Kalabagh in the Mianwali District, Punjab, Pakistan, which has been intensely debated along ethnic and regional lines for over 40 years.

⁹ www.pakistantoday.com.pk › Editor's Mail

Pakistan is a developing country that relies on international financial aid and is also required to meet the conditions including prescribed public sector reform strategies as determined by its donor organizations. The reform initiatives taken by the government in 2001, under the military leadership of General Musharaf, were mainly in reaction to the part of its Poverty Reduction Program (PRP) which was an offshoot of the Poverty Reduction Strategy Paper (PRSP), created as part of an agreement between the Government and International Financial Institutions (IFIs). The donor countries and organizations put forward certain conditionality's that demanded and stressed upon introducing structural, financial and governance reforms as a prerequisite to the provision of financial aid to the country. The political and administrative leadership of public sector organizations was expected to adopt reform measures in order to achieve the objectives of efficiency, effectiveness, responsiveness, and transparency. Since the typical bureaucratic structure of the public sector was turning into inefficient, corrupt, monopolistic, unmanageable white elephants, which were no more readily accessible to the public, NPM-oriented reform practices, were considered to be the panacea to the ills of the traditional public organization (Haque, 2004).

Despite the fact that various administrative reform measures were adopted by the government of Pakistan to rectify its public sector organizations structurally as well as procedurally, the common man still does not expect public servants to be competent enough to deliver services to them as desired. These public officers are considered to be unresponsive and notoriously involved in corrupt practices (ICG, 2010). According to the world competitiveness report of 2012-13, Pakistan is ranked at the 124th place out of a total of 144 countries assessed. This low ranking is attributed to the inefficient, incompetent and corrupt culture in these public organizations (Iqbal, 2014).

Although reform efforts have been undertaken on a continuous basis, little empirical evidence exists that assesses their effects. In the last six decades, more than twenty studies were carried out and reported by different committees and commissions formed to assess administrative reform policies in Pakistan (Wilder, 2009). However, minimal effort was undertaken to apply improvements and suggestions proposed after such studies (Ishrat et al., 2008). The primary reason for this attitude was frequent switchovers between political or military regimes. Another prominent cause was incomplete tenures of elected governments. The last

government led by President Asif Ali Zardari was the sole elected government which successfully completed its term.

6.8 Agency Reforms in Pakistan: Four Phases

In Pakistan, public sector organizations were structurally disaggregated into autonomous and semi-autonomous entities and created as attached departments in the initial years of its independence. These attached departments are under direct control of its respective ministry or division it is associated with (each ministry is comprised of single or multiple divisions). The process of agencification which initiated in the post-partition era is an on-going reform strategy to date (Jadoon et al., 2012). Organizational Entities (OEs), having the status of autonomous agencies (AB's) or attached departments, named commissions, corporations, bureaus or boards under the Federal Government of Pakistan, have increased from a total of 411 in 2008 to 438 in the year 2016. This indicates an upward trend in the formation of agencies.¹⁰ The trend still continues, for instance with the relatively recent creation of the autonomous Anti-Corruption Establishment (ACE) (CM gives nod to anti-corruption agency, 2016) or the Punjab Education Standards and Development Authority (Hanif, 2016).

The development of agencies can be explained by dividing its history into distinct phases according to changing political regimes and administrative reform policies adopted. The first agency movement followed right after partition (1947-1971) with the creation of public enterprises which were formed to undertake development projects dominantly by the government sector and to second the private enterprises. This was a time when newly created attached departments and autonomous bodies assumed a leading responsibility to cater to the citizens and provide services. This period came to an end when the government was democratically taken over by an elected government of one of the most popular political leaders, Z. A. Bhutto in 1972. He proposed a major change in the development

¹⁰ Out of 438 OEs, 29% belong to the categories of commercial/semi-commercial/ manufacturing; public utilities, service providers and financial institutions. 10% are attached departments or executing agencies, 9% are training Institutions. The remaining 52% of entities are scattered over 16 different functional categories. (www.ncgr.gov.pk/Forms/Categorization_of_the_Department_2.pdf).

policy of the existing government, by switching over to grand scale nationalization of private sector entities in all policy sectors. Once elected, his government reverted to the socialist model of development. Under this model, his era was marked by the development of agencies, which were taken as major instruments of development enterprise. During the period 1972 till 1977, under the leadership of Bhutto, many state-owned enterprises (SOE's) were established.

With the assassination of Z. A. Bhutto in the year 1979, the country under the leadership of the armed forces chief and later the elected democratic government, privatized many SOE's. Public sector organizations were restructured and unbundled into independent autonomous bodies. This agencification was in line with the global movement of New Public Management during the 1980s and has continued to date. Various public sector organizations were unbundled into smaller companies and deregulation and privatization were the prime reform strategies. The process of agencification was the core policy framework which occurred in response to the Structural Adjustment Program endorsed by the international financial institutions (World Bank and International Monetary Fund) in 1980. Therefore, the creation of agencies in the third period 1977-1999 is mainly attributed to the Structural Adjustment Program, signed by Pakistan, as part of the neo-liberal model of development.

Finally, with the dismissal of the democratically elected government of Nawaz Sharif in 1999, the process of agencification placed more emphasis on re-regulatory and governance reforms. Agencies with an independent legal status were created at arms' length of the ministries on the basis of an act or ordinance. Procedural agencification occurred with the conversion of attached departments into semi-autonomous bodies. These semi-autonomous entities were delegated the authority to make financial decisions, such as the allocation and reallocation of funds, raising additional funds by levying a service fee, etc. Apart from these developments, other reform initiatives include structural agencification through the formation of regulatory and service delivery agencies by hiving off the tasks of the ministries and assigning varied functions to these newly formed agencies (Rizwan & Jadoon, 2010).

6.9 External Impacts on Agencies: Appointments, The Military, Clans and the Judiciary

NPM-reforms of agencies aim to make those organizations more effective. However, in the specific administrative and cultural context of Pakistan, several external forces have an impact on the creation and functioning of agencies.

First, political patronage seems to be a prominent practice contributing to the spread of the agency idea in Pakistan (Hasnain, 2008). Political leaders grab the opportunity of placing their preferred candidates on leading positions in newly created agencies. Bureaucracy in Pakistan is a dominant player and most of the autonomous bodies have civil servants in their management. Political leaders appoint them on senior positions to fulfill their promises made during elections. Policies are framed and executed keeping in view their own vested interests and the strong alliance between the elected politicians and the civil servants help in achieving them.

Secondly, the military remains one of the country's most cohesive national institutions. Since independence it has oscillated between indirect and direct political control; but always remaining a major power (Blood, 1994). Agencies are often headed by retired senior military officers; whom politicians use as tools to impose their policy preferences. The ministers overseeing the respective agencies influence decisions within them through their appointed agents (former military officials). In 2016 in one of the security agencies of Pakistan, namely National Accountability Bureau (NAB), ex-army officers who were inducted into the Bureau under a certain clause of Employees Service Rules, were granted out-of-turn promotions to the next grade. This is a case of violation of Service Rules since six former military officers were inducted who did not even meet the requirements and criteria for appointment to senior managerial positions in the Bureau (agency). (Iqbal, (2016).

Furthermore, these army officials were inducted in excess of the prescribed quota reserved for them at the time of their induction. Such an act is not just unconstitutional but also hinders the career prospects of those officers who joined NAB through a transparent, competitive process. Ultimately the policy implementation process is compromised, thus having an impact on the operational decisions of

the agency. Such incidents indicate how politicians accommodate and try to justify illegitimate appointments of civil servants and military officials (Iqbal, 2016; Neutrality, 2010).

Thirdly, the political history of Pakistan has always elicited political elites to be associated with a local feudal tribe or clan. These political actors have maintained their supremacy on the basis of their feudal affiliations and power relationships. Moreover, these political figures are more inclined towards their personal benefits rather than policy outcomes. After assuming political positions their foremost aim is to offer or create employment in the public organizations for their family or favorites, whom they have to oblige in return for their political support (Kalia, 2013). This causes the administrative machinery to become not only politicized but also highly ineffective.

Fourthly, the judiciary is another dominant force in Pakistan, which plays an aggressive role in directing public agencies. In the past few months, the head of the Supreme Court which is the apex judiciary body of Pakistan is actively involved in the appointments and dismissal of key personnel of federal agencies and is also dictating them over various HRM related matters. The determination and fixing of product tariffs is one such recent case in which the Chief Justice of Pakistan (CJP) ordered the officials of a regulatory body to revisit the mechanism of the imposition of tax on their products. In this regard, he officially directed the heads of the concerned public organizations to draft a revised formula to fix prices of petroleum products. Another similar case is of the role of the CJP in the appointment of the head of the media regulatory authority, which according to the current report was delayed due to the intervention of the federal information ministry (Tanoli, 2018).

6.10 To Conclude

This chapter has described important features of the state in Pakistan and important issues. The chapter has shown how the basic administrative structure features reform efforts on the one hand and a high level of politicization on the other. Despite all this politicization and decline of power, the bureaucracy of Pakistan has managed to exist as an authoritative institution and social elite (Kalia, 2013). In the next chapter we turn to the empirical findings on the agency landscape in Pakistan, based on our survey.

PART C: QUANTITATIVE DESCRIPTION AND EXPLANATION

7 The Real Scene: Describing Agencies in Pakistan

This chapter describes the real agency landscape in Pakistan, on the basis of the descriptive outcomes of the survey. It delineates the types of agencies functioning at the federal level, unveils the institutional design of these agencies, and also uncovers their legal status, structural features, mode of financing, steering and supervision arrangements and the policy sector they prevail in. Therefore it may be stated that this chapter presents the actual landscape of federal agencies in Pakistan, in terms of the agency characteristics of the task, policy sector, governance structure, size, budget, income source, and other structural features, as described by our survey data. The fifth section of this chapter further answers the research question:

RQ: How autonomous are the government agencies at the federal level? And how are they being steered and controlled?

7.1 Development of Agencies in Pakistan: A Historical Trend

Agencification has a long tradition in Pakistan and is not just an outcome of the New Public Management era and dates back to the pre-partition time, i.e. before 1947. The oldest agency in our survey, Pakistan Railway Academy Walton, Lahore, was incepted in the year 1929. It is currently a subordinate office that does not have an independent legal status of its own. The data shows the different time periods of the creation of agencies and elicits that 59 out of 145 agencies (41%) were created during the time period 1947-1979, which is a pre-NPM era. Moreover, some of the agencies existed in the pre-partition time. In Pakistan, this trend of agency formation continued during the 1980s (NPM era). About 29% of the agencies were created in the present legal forms in the period 1980-1999 and another 30% got their current status in 2000-2017. We see the establishment of many agencies in the post-independence era. An influx of such state structures (attached departments and autonomous bodies) during the period 1947-1971 is attributed to the traditional development paradigm which is based on the conception of development as economic growth, where the state would play the lead role. This is marked as the initial period of development in the history of

Pakistan. The public enterprises formed as statutory corporations or as attached departments in the post-colonial period paved the way for the agencified structures. Some of these were, Trading Corporation of Pakistan, Pakistan Industrial Technical Assistance Organization (PITAC), Pakistan Ordinance Factories Wah Cantt, Pakistan Metrological Department (PMD, Pakistan Post Office Department, National Bank of Pakistan, Pakistan Council for Science & Technology and many more. This tool of development administration developed into the concept of development enterprise keeping the government at the center of all economic driven activities. This period extended from 1972 onwards until the regime of Zulfikar Ali Bhutto in 1977. During this period the public enterprise was the major development tool when most of the public corporations/state-owned enterprises were created to oversee and administer the nationalized industries. Some of the corporations formed during the period 1972-1977 were National Fertilizer Corporation, National Power Construction Corporation (Private) Ltd, National Fertilizer Marketing Limited (NFML), Overseas Employment Corporation (OEC), Inter Board Committee of Chairmen (IBCC), Central Directorate of National Savings, etc. This increasing number of agency structure indicates the reliance of the two pioneer government regimes on agencification as the dominant tool of development enterprise. This public sector reform practice gained momentum and agencies in various policy sectors kept on mushrooming at an accelerated pace after the introduction of public sector reforms during the political regime of President Musharraf especially at the onset of the 21st century.

Table 7. 1 Agency Year of Set Up

Year of setup	N	%
1929-1946	1	0.7%
1947-1979	58	40.0%
1980-1999	43	29.7%
2000-2017	43	29.7%

As indicated in a government document on agency types, developed and published by a commission of reforms, namely National Commission for Government Reforms (NCGR), the legal

status of many public sector agencies has changed from autonomous body to attached department, subordinate office or a corporate body as a result of the 18th constitutional amendment promulgated in April 2010 (National Commission for Government Reforms, Prime Minister's Secretariat, 2016). Many of such agencies were devolved and placed under the provincial government after the 18th constitutional amendment in 2010-2012. Several federal agencies were restructured, repositioned and changed in number as a result of the 18th constitutional amendment. This amendment to the constitution aimed at redefining the structural contours of the state through a paradigm shift from a heavily centralized to a predominantly decentralized federation (UNDP, n.d.).

7.2 Agency Typology in Pakistan

On the basis of an officially published document on the functional and legal classification of corporations, autonomous bodies and attached departments (National Commission for Government Reforms, Prime Minister's Office, Government of Pakistan, 2016), 421 public sector organizations were identified and labeled as an agency as per the definition given by Talbot (2004) and Van Thiel (2012). All those organizations which are attached to ministries but are working with some level of autonomy are included in this study. Considering the categories of federal entities as documented by the government itself, these are placed under three distinct categories; attached departments, corporations and autonomous/semi-autonomous bodies, which are further placed under different titles but having a certain degree of autonomy. These agencies are taken as the population of this study. The researcher distinguished 12 different types of agencies on the basis of their nomenclature and legal status. These types have varied titles, such as companies, corporations, boards, institutes authorities, centers, foundations, bureaus, councils, commissions, departments, and agencies. Each specific legal distinction relates to any of the five legal types of agencies in Pakistan. A list of each specific legal category is given in Appendix I.

The survey in the current study informed that most of the Pakistani agencies were created through a legal statute (law), which was either public law, private law or a mix of both public and private legal act/ordinance. This is elicited in table 7.2.

Table 7. 2 Personality Type of Agency

Legal Personality	Number	Percent
No separate legal identity	33	22.8
Public Law	60	41.4
Mixed ¹¹	28	19.3
Private Law	24	16.6
Total	145	100.0

As shown in table 7.2, approx. 17% of the agencies are created through a private law (companies ordinance), 19% reported to fall under a mix of both private and public legislation (such as Technology Up gradation and Skill Development Company (TUSDEC), National Fertilizer Marketing Limited (NFML), Pakistan Sports Board, Mari Petroleum Company Limited and many more), while 23% had no separate legal identity of their own, they are working as an attached unit, semi-autonomous entity, a wing or subordinate office, under some ministry/division, with no separate legal independence.

The different legal types of agencies operating in Pakistan are compared to the classification of agencies based on their legal personalities as developed by Van Thiel (2012). The data pertaining to the different agency types were obtained through the question, *what type of agencies does the organization belong to?* The responses were adapted as per the Pakistani context of the federal (national) agencies and placed under any one of type 0 through type 4 categories of COST-CRIPO (Van Thiel, 2012).

The type 0 category is ascribed to Unit or directory of the national, central or federal government (not local, regional or state). In Pakistan, this agency type includes organizations that are strictly governmental, such as Attached Departments of the ministries and divisions, Sub-Ordinate offices of divisions, Part & Parcel of a division and Semi-Autonomous entities under the division/ministry. In this study, agencies that fall under the type 0 i.e. Unit of the national government, n=17 and have a representation of 12% in the dataset.

¹¹Agencies labeled as mixed legal personalities are actually a form of public-private entities, functioning either partially or totally under the government.

The next category labelled as type 1 is Semi-autonomous organization, unit or body without legal independence but with some managerial autonomy; 11% agencies in the dataset are attributed to this type 1 category.

The third category known as type 2 are legally independent organization/body (based on statutes) with managerial autonomy, either based on public law or private law; these legally independent agencies form a major part of the dataset, with a representation of 75 %.

The fourth category labeled as type 3 are Private or private law based not-for-profit organization established by or on behalf of the government like a foundation; Another 2% share is held by these type 3 not-for-profit agencies with N=2.

The type 4 category as developed by COST CRIPO network for the standardized Cobra Survey are Private or private law based organization established as a corporation, company or enterprise (government owns majority or all stock); just one agency falls under the category of private law based corporation, i.e. a mere 1 % share of the total N=145. This distribution of the different types of agencies that are part of the dataset is given in the Table below with exemplary agencies operating as any of the 4 types of COST CRIPO categories.

Table 7. 3 Type of Agency

Agency type	Agency forms in Pakistan	N	%
0: Unit of national government	Attached department, wings of the division, Sub-Ordinate offices of divisions, Part & Parcel of a division	17	11.7%
1: Without legal independence but some autonomy (Semi-autonomous agencies)	Corporate body, Centre of excellence, Semi-autonomous, sub-ordinate offices of division, chartered public sector institute, Attached department, autonomous body.	16	11.0%
2: Legally independent organization (based on statutes) with managerial autonomy, either based on public law or private law	An autonomous body, Corporate body, Semi-autonomous, sub-ordinate offices of division, Attached department, Public limited company, Private Limited Company, Joint venture, part & parcel	109	75.2%
3: Not-for-profit	Autonomous bodies, Non-government volunteer movement	2	1.4%

4: Private law-based corporation	An autonomous body, registered companies and Trust, Corporations	1	0.7%
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Table adapted from Van Thiel 2012 chapter 1 in Verhoest et al.

An observation is that the various agencies surveyed, cannot be exclusively placed under any one of the classifications developed by COST CRIPO (type 0-type 4), mostly agency types are not specific to a certain legal type, and rather a certain form of the agency has multiple legal types. For instance attached departments are not just strictly units of the government (type 0), some of them are also an entity without legal independence but some autonomy (type 1) or Legally independent organization (based on statutes) with managerial autonomy, either based on public law or private law (type 2). Autonomous bodies within the dataset are perceived to be both type 1 and type 2 organizations. The same is the case for Sub-Ordinate offices of divisions, they are found to be either type 0, type 1, or type 2 organizations. Part & parcel agencies are also found to be either type 0 or type 2 entities.

Agencies listed as Type 2 are the most common type of organizations in the dataset of 145 agencies. Thus 75% of all the studied agencies are a legally independent organization (based on statutes) with managerial autonomy, either based on public law or private law (Type 2).

Although reformed agency structures kept on erupting in many countries from the 1980s onwards till date, some differences do prevail between countries in the nature of agency reform strategy adopted by them at various times. After the 1990s there was a change in preference for the type of agency structure to be implemented by the governments in the U.K, Belgium and the Netherlands. Semi-autonomous organizations without legal independence (Type 1) and statutory bodies (type 2) were equally found in these countries, which later preferred having more of type 1 agencies. U.K introduced the Next Step agencies, while in Belgium and Netherlands contract agencies became popular (Rommel & Christiane's, 2009; Van Thiel & Pollitt, 2007; James, 2003). One of the reasons behind this approach was that the governments of these countries wanted to have their executive agencies closer to the federal government than as before in the 1990's. Secondly, some

countries imitated the model of semi-autonomous agencies formed in the United Kingdom after 1990s. Based on the comparison between agencies operating in Pakistan and in some other western countries, it can be stated that we do not see a similar trend of agencies in Pakistan.

All 26 ministries and divisions under some of them are mostly represented in the dataset of this study. However, the data is not equally distributed one across all ministries/divisions. Ministry of Industrial and Production Division has the largest share of 12 out of 145 agencies, Federal Education and Professional Training Division and the Finance Division both have a share of 10 out of 145 agencies, Commerce and Petroleum and Natural Resources Division have each 8 out of 145 agencies. Cabinet Division and Water and Power have 6 out of 145. Whereas, other agencies that fall under various other ministries and divisions apart from these had a representation of fewer than five agencies under their respective ministries.

A complete list of agencies functioning under the federal ministries and divisions is provided in table 7.4. It shows that ministries and divisions have a varied number of agencies operating under them. Some ministries and divisions have a greater number of public agencies whereas; others might consist of less.

Table 7. 4 Ministry/Division- Wise Distribution of Agencies

Name of ministry/division	Number of agencies
CABINET DIVISION	18
ESTABLISHMENT DIVISION	12
CLIMATE CHANGE DIVISION	5
CAPITAL ADMINISTRATION & DEVELOPMENT DIVISION	24
AVIATION DIVISION	4
MINISTRY OF COMMERCE	12
MINISTRY OF COMMUNICATIONS	6
MINISTRY OF DEFENCE	6
MINISTRY OF DEFENCE PRODUCTION	11
MINISTRY OF FEDERAL EDUCATION & PROFESSIONAL TRAINING	12
MINISTRY OF FINANCE	40

STATISTICS DIVISION	3
PRIVATIZATION DIVISION	1
MINISTRY OF FOREIGN AFFAIRS	8
NATIONAL SECURITY DIVISION	1
MINISTRY OF HOUSING & WORKS	6
MINISTRY OF INTERIOR	36
NARCOTICS CONTROL DIVISION	1
MINISTRY OF INFORMATION, BROADCASTING & NATIONAL HERITAGE	28
MINISTRY OF INDUSTRIES AND PRODUCTION	12
MINISTRY OF INFORMATION TECHNOLOGY & TELECOMMUNICATION	10
MINISTRY OF INTER PROVINCIAL COORDINATION	8
MINISTRY OF KASHMIR AFFAIRS & GILGIT BALTISTAN	3
MINISTRY OF LAW, JUSTICE AND HUMAN RIGHTS	32
MINISTRY OF NATIONAL FOOD SECURITY AND RESEARCH	11
MINISTRY OF NATIONAL HEALTH SERVICES, REGULATIONS AND COORDINATION	17
MINISTRY OF OVERSEAS PAKISTANIS AND HUMAN RESOURCE DEVELOPMENT	6
MINISTRY OF PLANNING, DEVELOPMENT & REFORMS	6
MINISTRY OF PETROLEUM AND NATURAL RESOURCES	16
MINISTRY OF PORTS & SHIPPING	15
MINISTRY OF RELIGIOUS AFFAIRS AND INTERFAITH HARMONY	7
MINISTRY OF RAILWAYS	16
MINISTRY OF STATES AND FRONTIER REGIONS	2
MINISTRY OF SCIENCE & TECHNOLOGY	15
MINISTRY OF TEXTILE INDUSTRY	19
MINISTRY OF WATER & POWER	10
Total Federal Agencies	438

An analysis of the different ministries/divisions reveals that there are 10 ministries/divisions which have a bigger share of autonomous bodies/corporations/semi-autonomous bodies under their administrative control. On the basis of the information provided by various ministries and divisions, the Federal Education and Professional Training Division have the maximum number (17.8%) of

autonomous bodies/corporations/semi-autonomous bodies working under it. The next largest is the Division of Science and Technology, with 8.17% share, it is followed by Cabinet Division and Industries and Production Division each with 6.73% shares, Finance Division and Information, Broadcasting & National Heritage Division with 6.25% each, Petroleum and Natural Resources Division (5.3%), National Health Services Regulations and Coordination Division (4.81%), Information Technology and Telecommunications Division and Ports and Shipping Division (3.85%) each (establishment.gov.pk).

7.3 Institutional Design of Agencies in Pakistan

An overview of the characteristics of the agencies that responded to the survey is given in the following structural, cultural and task-oriented features as summarized in the descriptive tables in the following section. 97% of the agencies in the data set are single organizations, although these types of organizations might have local or regional offices. Only two agencies, namely, Pakistan Rangers and the Pakistan Study Centre, (one in each of the four provinces) are duplicate entities, with two or more than two similar organizations. However, in the total population of federal agencies another five duplicate agencies are; Constitutional Courts; High Court with Benches (one in each province), Sub-Ordinate Offices of Accountant General of each province, Model Dini Madrassa for Boys (corporate bodies), Electric Supply Companies and Power Generation Companies. In contrast to most western countries, where judicial agencies are placed under the judiciary function, in Pakistan judicial courts are also operating as executive agencies.

7.4 The Agency Landscape

After providing an overview to the historical trend of agency formation in Pakistan, the description of agency forms and types in the survey, let's look at its landscape in terms of the tasks these entities perform, the policy sector in which they are functioning, their governance structure, size of the agencies, their legal personality, income source, and other key features. A description of the main features of the 145 agencies studied is provided in the following discussion, where facts and key topographies of these agencies are presented in tables. The main features analyzed are:

- Primary and Secondary task of the agency
- The policy sector of agencies
- Agencies governance structure
- Agency year of set up
- Agencies size; measured by its staff size and budget size.
- Agency budget
- Income source of agencies.
- Agencies legal type (already explained above)

7.4.1 The primary task of agencies

Based on the response to the survey and other information available on the websites of the surveyed agencies, all the agencies studied are placed under one of the classifications of the task as developed by COST-CRIPO. The five different primary tasks of agencies are defined as follows:

Task 1: Policy formulation, development, and advice

This agency task refers to processes and activities of a political character, directed towards political authorities (government and parliament) through the preparation of and/or implementation of sectorial policies, regulations and policy instruments.

Task 2: Regulation, scrutiny, control, and inspection

This task encompasses activities of regulation, scrutiny, control and inspection which are closely connected to either the follow-up of or regulation/control in accordance with regulations, rules, law, contract or agreements. It does not refer to making or concretizing rules or laws. Supervisory functions may refer to qualitatively different activities (i.e. inspections, care, surveillance, control). A vital criterion is that supervisory functions are directed toward other agents or institutions outside of the organization who maintains the function. It can vary whether the organizations with supervisory functions also have the right of enforcement.

Task 3: Exercising other kinds of public authority:

It refers to the execution of tasks according to, on behalf of or based in law, regulations or precepts. Such tasks are normally subordinate to rules for procedure. It encompasses the capacity for enforcement within certain boundaries, e.g. policing and prisons, judicial work.

Task 4: General public services:

Refers to services of a public character carried out on a non-profit basis. This could be the production of “free” collective goods, or services and goods that are partly financed by the consumer itself. In addition: Counseling or advisory tasks, Informative and guidance tasks, Administrative services of different kinds, Equipment and delivery services, Production and administration of knowledge and research and training and competence building.

Task 5: Business and industrial services:

Refers to service delivery and production in a form of market, where primarily the level of demand to a large extent regulates the level of the activity; commercial (market-oriented) activities. It includes telecommunication services, nationalized industries, banks, credit institutions. It can be secondary tasks of meteorological institutes, rail administrations.

The distribution of federal agencies according to the primary task performed by these surveyed agencies is presented in Table 7.5.

Table 7. 5 Primary Task of the Agency

Five primary tasks	N	%	0-Unit of national government	1- Semi-autonomous	2- Statutory body	3- Not-for-profit	4- Private law-based corporation
Policy formulation	14	9.70	2	2	10	0	0
Regulation/scrutiny/control	25	17.20	2	1	22	0	0
Other kind of exercising public authority	4	3.80	0	1	3	0	0
General public services	78	53.80	12	11	53	2	0
Business and industrial services	24	16.60	1	1	21	0	1

When analyzing the nature of tasks performed by Pakistani agencies that responded in this survey, it shows that a majority (10 out of 14) of agencies whose main task is to formulate government policies are organizations that are legally independent (type 2), while none of the private law based government corporations or foundations are involved in policy formulation, and very few units of the government (Type 0) have the authority to frame policies or provide policy advice to the parent ministry or other government authorities.

Most of the agencies that execute policy formulation and advisory tasks lie in the cabinet secretariat, energy, education health, defense and planning, and development sectors. Similarly, tasks involving regulation, scrutiny, control or inspection are also predominantly (22 out of 25) carried out by legally independent agencies (Type 2), having some managerial autonomy. These entities mostly lie in the Law, Justice & Human Rights Division, National Food Security & Research Division, Cabinet Division, Finance Division and Interior & Narcotics Control Division. Very few agencies that executed the task of law enforcement responded in this survey, and those that did belong to the Law, Justice & Human Rights Division, Finance Division and Housing and Works. Tasks related to general

public services are performed mainly (53 out of 78) by legally independent agencies (Type 2), and secondly by units of the government and semi-autonomous bodies as well (Type 0 and 1). Business and industrial tasks are dominantly performed by legally independent statutory organizations (Type 2). Such business-oriented agencies mostly lie in the Industries & Production Division, Textile Industry Division, Railway division, Commerce division, Finance division, and Petroleum & Natural Resources Division.

Overall, considering the pattern of the establishment of the agencies as per their legal status, it is observed that statutory bodies (Type 2) were established in the earlier years, while organizations were identified as semi-autonomous bodies mostly in the later years (the 1990s). A similar trend is evident in other European countries as well.

Another finding is that the legal personality of agencies is not consistent over the different tasks for which public agencies are responsible for. Moreover, Table 7.5 shows that the task to regulate and control public entities delivering services to citizens is predominantly executed by legally independent agencies. In fact, this task is charged to statutory bodies more than to semi-autonomous agencies, it is evident that regulation and scrutiny is placed at a distance from the central government. Finally, the majority (21 out of 24) of the surveyed agencies that execute Business and Industrial task are statutory bodies, having an independent legal identity. 15 of these type 2 agencies are known as autonomous bodies, and just two (each) of the attached departments and semi- autonomous bodies lie within this category.

7.4.2 Secondary task of agency

Although the NPM model that forms the basis for agencification claims that agencies perform a specialized task. But considering the possibility that this might not be the case for every organization; agencies surveyed when asked about their secondary task reported that 60 percent of them performed dual tasks. This indicates that most agencies are multifunctional.

Table 7. 6 Secondary Task of the Agency

Secondary task	N	%
Policy formulation	22	15.2%
Regulation/scrutiny/control	28	19.3%
Other form of exercising public authority	8	5.5%
General public service	65	44.8%
Business and industrial services	22	15.2%

When comparing primary and secondary tasks performed by agencies it is evident that there is minimal difference between the percentage shares of all five types of primary and secondary tasks performed by the agencies questioned upon. A possible explanation for this similarity in percentages of both primary and secondary tasks of agencies is that 40 percent of these agencies stated that a certain primary task they performed was also their secondary task. However, 22 out of 145 agencies stated that policy formulation is a secondary task they perform, but interestingly 21 of these agencies have policy formulation only as a secondary task. This response came from agencies whose primary task was apart from policy formulation. As an example, this kind of response came from Akhtar Hameed Khan National Centre for Rural Development & Municipal Administration, whose primary task is general public service; Inter Board Committee of Chairmen (IBCC) is another agency with similar task features, Technology Up gradation and Skill Development Company (TUSDEC), Information Service Academy, Intellectual Property Organization (IPO), Health Services Academy, Pakistan Engineering Council, Pakistan Metrological Department (PMD), Pakistan Atomic Energy Commission are some of the agencies having primary tasks apart from policy formulation. Moreover, 28 out of 145 said they carried out regulation and scrutiny, 65 out of 145 delivered general public services, 22 out of 145 had a business and industrial services as their secondary task.

Overall, for both primary and secondary tasks, general public service is the most performed task, followed by regulation and scrutiny. Business and Industrial services take the third place, whereas exercising another kind of public authority is adopted by the least number of federal agencies studied.

7.4.3 Policy area of the agency

Public sector organizations have been classified on the basis of the policy fields in which they operate. This categorization is done by administrators as well as academicians. This study is carried out as per the United Nations Classification of Functions of Government (COFOG), which is taken as an international standard as it is widely adopted by practitioners. This categorization has ten main types of activities which are detailed out in Appendix G (each having from five to nine subtypes):

As shown in this study, the most proliferated policy field as presented in table 7.7 is General Public Services, followed by economic affairs which constitute 23% agencies operating in this policy domain. Education consists of 19%, whereas other policy areas have a marginal representation of approx. 3-4% in other policy fields. Looking at tables 7.7 and 7.8, agencies are seen to be executing a variety of primary tasks and in many different policy sectors. A similar scenario prevails in many other European and non-European countries as well.

Table 7. 7 Policy Field

Policy field 1	N	%
General public services	44	30.3%
Defence	5	3.4%
Public order	5	3.4%
Economic affairs	33	22.8%
Environmental protection	7	4.8%
Housing and community amenities	4	2.8%
Health	7	4.8%
Culture	6	4.1%
Education	28	19.3%
Social protection	6	4.1%

Although this study focuses on the analysis of policy field in which the agencies prevail, considering the possibility that some agencies might be active in more than one policy area, the researcher questioned them upon their presence in another field (policy field 2). However, 90 percent of agencies reported being active in a single policy area. This is also shown in table 7.8 which indicates that majority of the surveyed agencies operate in a specific policy field and perform specialized functions.

Table 7. 8 Policy Field 2

Policy field 2	N	%
General public services	1	0.7%
Defence	1	0.7%
Public order	2	1.4%
Economic affairs	1	0.7%
Environmental protection	1	0.7%
Housing and community amenities	1	0.7%
Health	1	0.7%
Culture	1	0.7%
Education	3	2.1%
Social protection	3	2.1%
Missing	131	90.3%

7.4.4 Structure of agency governance

The executive body of agencies and their composition is a key indicator of its governance mechanism. The governing boards of agencies under study, the ratio of government and non-governmental representation within them which is the measure of composition of governing boards is used to determine the type and level of steering and control of oversight authorities (parent ministry, ministers) as indicated in Table 7.23. The statistics in Table 7.23 clearly indicate that a majority (67%)

of respondents informed to have central government officials as members of their executive bodies/boards. While non-government members belonging to different forums are in minority when compared to the government representation.

Overall, for all the 145 agencies studied, 70% of them have a governing board. This was not just reported by the respondent, but the researcher also verified it through telephonic data verification and secondary data available (on agency website). An analysis of data collected about agency boards revealed that majority (11 out of 14) of agencies that have policy formulation and advice as their primary task does have a governing board. Such entities are mostly (10 out of 14) statutory bodies (Type 2). While out of those 25 surveyed agencies involved in regulation and control 64% have executive boards (16 out of 25). Interestingly 22 of these are statutory bodies (Type 2), and just one agency is a semi-autonomous organization, while two are units of the government. For agencies appointed task of general public services 25 have no governing board whereas, 68% (53 out of 78) agencies have it. As shown earlier in Table 7.5 that agencies which deliver public services are statutory bodies and thus have governing boards of their own. Most agencies involved in law enforcement and execution of rules and regulations formulated by the government do not have governing boards; Law, Justice & Human Rights Division and Finance Division are agencies without boards, while, Federal Government Employees Housing Foundation is an exception.

As inferred from the data analyzed in chapter 7, the governing boards of agencies have a significant effect on the level of agency autonomy. It can further be deduced that of 70% of agencies that have boards, the majority are statutory bodies (Type 2).

Table 7. 9 Governing Board

	No		Yes	
	N	%	N	%
Governing board	43	29.7%	102	70.3%

Table 7. 10 Agency Staff

Agency staff	N	%
No own staff	1	0.7%
Own staff	144	99.3%

The majority of the Pakistani agencies have their own permanent staff, both at the strategic (senior management) and operational levels (Middle management). As shown in table 7.10, 144 out of 145 reported having their own full-time employees. Table 7.10 elicits that almost 99% of the agencies that responded have their own full-time staff.

7.4.5 Agency size

Size of an agency is normally measured by its total number of employees and the size of its budget. For this study, the total number of full-time employees (FTEs) of agencies in the dataset is used as an indicator of its size. Moreover, for this study, the agencies are categorized as small, medium and large. Those having 0-999 of FTEs are defined as small; a medium agency has 1000-4999 FTEs, whereas an agency with ≥ 5000 FTEs is termed as a large agency. It was found that more than half of the agencies are small sized having less than 1000 full-time employees working in them, while a mere 10 percent are medium-sized whereas 11 percent are largely sized entities.

Table 7. 11 Number of Employees (FTEs)

Agency size; FTEs	N	%
0-999 (small)	112	77.2%
1000-4999 (medium)	15	10.3%
5000-85000 (large)	16	11.0%

7.4.6 Agency budget

Apart from FTEs, agency budget is another significant indicator of its size. Agencies under study are categorized as small, medium or large as per their budgets. These are differentiated as small agencies if they have a budget less than 499 million; medium sized if between 500 million-999 million; large agencies if greater than or equal to 1 billion. As shown in Table 7.12, 75% of agencies with a budget of less than Rs.500 million lie in the small category, while 20% have large budgets lying between 1 Billion and above. The remaining 4% have a medium sized budget (Rs.500M-999M). Therefore, as in the case of employee numbers (FTEs), the largest proportion of agencies (75 percent) have small budgets.

Table 7. 12 Budget (Rupees Million)

Agency budget	N	%
0-499 (small)	108	74.5%
500-999 (medium)	6	4.1%
1000-188000 (large)	27	18.6%

Many agencies in the data set claimed to have their own independent budgets separate from that of the parent ministry. The only exception was an organization that has the legal status of a wing, and it declared not having its own independent budget. 144 out of 145 (99.3 percent) surveyed agencies had their own budgets, whereas only one of these agencies; Senior Management Wing (National Management College) declared not to have its own budgets

7.4.7 Source of income

The source of income of an organization is a major determinant of the degree of autonomy it holds for decisions related to human resource management, financial matters, and policy matters as well. The kind of control exerted on it from its overseeing authority is another factor that could be correlated to its income

source. Table 7.13 depicts that approx. 38% of the agencies are solely funded by their parent ministries/government, while 42 percent have a mixed source of funding, though the government budget remains the dominant source. Whereas, agencies that solely rely on their self-generated income sources are 15% i.e. 22 out of the total lot of 145 agencies in the dataset. Merely 4% get their funds from the government along with a major portion of their income come from other self-generated sources or other than the federal government. Therefore, a larger proportion of agencies in the dataset (almost 80%) rely on the federal government for their income. These entities majorly acquire their funds through budget allocations from the federal government.

Table 7. 13 Source of Income

Income source	N	%
Solely funded by parliament	55	37.9%
Mixed, but more funded by parliament	61	42.1%
Mixed, but more funded by self-generated or other	6	4.1%
Solely funded by self-generated or other	22	15.2%

It is evident in table 7.13 that in Pakistan, a substantial number of agencified structures still predominantly rely on funds and budget granted to them by the central government through their respective federal ministries. Even for those public agencies that also generate revenue of their own by charging fees, tariff, along with the budget they receive from their parent ministry, a higher percentage is of the annual budget allotted to them by the government.

7.5 Autonomy and Control of Agencies in Pakistan

This section describes the variance in autonomy and control of the agencies in the survey. The analysis is based on discoursing the significance of the agency characteristics (structural and task) for its autonomy and control. Moreover, summarized results of the bivariate analysis (using Spearman rho

correlation coefficient) and cross tabulation tables indicating degrees of association between agency characteristics and its autonomy and control are also provided.

7.5.1 Agency autonomy

As defined in the conceptual chapter on agency autonomy and control in chapter 3, the autonomy of an agency is the extent to which it can take managerial decisions itself about various human resources, financial and policy matters. Both HRM and financial management are components of managerial autonomy. However, policy autonomy is a combination of policy formulation and policy implementation autonomy.

7.5.1.1 Human resource management autonomy.

For the sake of an in-depth analysis of autonomy that exists in actual practice as per the perceptions of its top management, the response acquired through multiple questions asked from the respondents is delineated in the upcoming tables. The aspect of human resource management autonomy is divided into two components: strategic HRM autonomy and operational HRM autonomy. Both the dimensions were assessed through five items (questions), which varied from having the autonomy to take policy and routine decisions for its entire staff to autonomy to take decisions for no staff at all without prior ministerial approval. The perceived level of strategic and operational HRM autonomy that federal agencies have in practice is presented in table 7.14.

For strategic HRM autonomy, two of the response items, namely salary determination policy and employee promotion policy are almost equally distributed across the four options, with almost 70-75% responses lying within the options ranging from autonomy for all staff to for some staff. This means that most public agencies are able to set general rules and regulations with respect to salaries and employee promotions. But in case of employee evaluation policy and personnel appointment policy, a majority of the response percentage lies in the autonomy for most staff option. This elicits that public agencies play a dominant role in setting general employee evaluation and appointment rules within their organizations, without the interference of their overseeing ministries. This indicates that these entities can determine their

own staff requirements and thus can subsequently make appointments with minimal government intervention.

Discretion in determining the policy of downsizing appears to be compromised, as elicited by 40 percent responses that said that they had no autonomy to lay off any of its staff. This indicated that downsizing in public agencies is not a decision that can be independently taken by the organization itself, without any ministerial interference.

Considering the operational HRM autonomy with respect to the increase in the wage of specific employees, a significant number (48 percent) of the responses opted for autonomy for no staff at all. This is a true picture of Pakistani public organizations where a pre-determined salary structure and compensation system prevails and even the top management cannot make changes to its pre-set salary pay scales. This depicts the traces of its colonial bureaucratic legacy which forms the basis of its basic pay scale system. These results against wage determination for individual employee reinforces the norm and system that rests on the provision of salary funds directly by the governing authority with minimal autonomy granted to senior agency managers for wage determination. However, there might be some exceptions as expressed by 26% of responses falling under the option: autonomy to determine the salary for some staff. Therefore, an enormous majority of agencies are not given the flexibility to set salary levels of individual staff members.

As compared to determining salaries of specific employees, promotion, evaluation, and appointments of specific employees are matters on which these agencies have enough levy to promote and appoint personnel of their choice without the prior consent of its ministry. Rather 87% responses are distributed in the case of employee evaluation from “for all staff” to “for some staff”. This validates the fact that managers in such agencies evaluate individual employees independently, without taking approvals from their respective ministries.

However, to dismiss an employee is not a task that agency managers can render for all its employees. This perception is indicated through a significant percentage (37%), of responses saying they are not given the autonomy to dismiss employees, except for a few agency responses perceiving

to be able to dismiss some staff on its own without ministerial consent. This seems to be the general practice in Pakistani public sector which mostly offers a long-term job prospect and security.

This means that autonomy on both strategic and operational levels with respect to salary offers a contradictory picture, where managers in the majority of agencies do have the discretion to set general rules for salary matters, whereby, these agencies don't enjoy the freedom to set salaries of specific staff.

Moreover, strategic level autonomy in case of promotion, evaluation, and appointments also present a similar pattern as in the case of salary level determination, depicting more freedom granted to them.

For the explanatory analysis two additive indexes were constructed for human resource management autonomy: one for strategic and the other for operational HRM autonomy. The index ranged from 0 (a low degree of autonomy) to 1 (a high degree of autonomy). These two variables of HRM autonomy were recoded into two categories, ranging from 0-0.5 for instances of a low degree of HRM autonomy and 0.51-1.0 for instances of a high degree of HRM autonomy. As indicated in Table 7.15, in terms of strategic HRM autonomy, 52% of the agencies report a high level of strategic HRM autonomy, while in case of operational HRM autonomy 65% of agencies reported a low autonomy level.

Overall, the respondents generally perceive more autonomy in promotion, evaluation and appointments as compared to salary determination and downsizing for both strategic and operational managerial decisions.

Table 7. 14 Strategic and Operational HRM Autonomy

HRM Autonomy	For all staff		For most staff		For some staff		For no staff at all	
	N	%	N	%	N	%	N	%
<i>Strategic HRM autonomy</i>								
Salaries for groups of staff	39	26.9%	37	25.5%	24	16.6%	45	31.0%
Employee promotion policy	32	22.1%	40	27.6%	36	24.8%	37	25.5%
Employee evaluation policy	37	25.5%	64	44.1%	15	10.3%	29	20.0%
Personnel appointment policy	29	20.0%	54	37.2%	35	24.1%	27	18.6%

Downsizing policy	20	13.8%	24	16.6%	43	29.7%	58	40.0%
<i>Operational HRM autonomy</i>								
Salary of specific employee	22	15.2%	16	11.0%	38	26.2%	69	47.6%
Specific employee promotion	22	15.2%	29	20.0%	56	38.6%	38	26.2%
Specific employee evaluation	43	29.7%	50	34.5%	33	22.8%	19	13.1%
Specific employee appointment	26	17.9%	37	25.5%	46	31.7%	36	24.8%
Dismiss a single employee	18	12.4%	24	16.6%	49	33.8%	54	37.2%

N=145

Table 7. 15 Extent of Agency Autonomy in Pakistan

HRM Autonomy(recoded)	Strategic		Operational	
	N	%	N	%
High	75	51.7	51	35.2
Low	70	48.3	94	64.8

N=145

7.5.1.2 Financial autonomy

To assess the degree of financial autonomy, agencies were questioned about their discretion to take loans to invest, setting tariffs for their services and products, and transferring budgets between various heads of expenditure. Table 7.16 summarizes the results of financial autonomy. For all the different items on financial matters, the respondents were asked if their organization could take decisions independently without the consent of the parent ministry on the given items. It is elicited that majority of the respondents i.e. almost 75% show no autonomy in case of taking loans for investment and very few perceived to do the same without prior approval or under conditions set by the parent ministry. This situation prevails since the common system of obtaining funds is through the government annual budget allocations. As per the perception of responses, a majority of public organizations are not encouraged to take loans from external entities although there might be a

provision in their act/ordinance to do so, but actually acquisition of loans for investment purpose appears to be an alien concept to them, as indicated by 75% agencies perceiving it not being able to do so. This indicates that normally public agencies do not enjoy autonomy in their budget allocations and certain other financial issues which creates controversy between formal and actual financial autonomy.

As shown in table 7.13 although the organizations generate their own funds apart from the annual budget allocation, 80% of the response agencies reported that even when they could generate income from other sources, even then the major share came from the government fund. As per table 7.16, almost 20% respondents agree to have autonomy within conditions set and only a few respondents almost 5% report to have autonomy without set conditions from oversight authority.

Table 7. 16 Financial Autonomy

	Yes, fully and without conditions set from above		Yes, within conditions set from above		Not at all		Total	
	N	%	N	%	N	%	N	%
Take loans for investment	7	4.8%	29	20.0%	109	75.2%	145	100.0%
Set tariffs for services or products	29	20.0%	51	35.2%	65	44.8%	145	100.0%
Transfer of funds between personnel and running costs	23	16.0%	46	31.9%	75	52.1%	144	99.3%
Transfer of funds between personnel and running costs on one hand and investment on the other	15	10.4%	27	18.8%	102	70.8%	144	99.3%

Table 7.16 further exhibits that the same trend follows for other dimensions of financial autonomy i.e. most of the respondents agree to have lack of financial autonomy regarding setting tariffs for services or products and to shift personnel and running cost budgets, though some organizations do have a limited discretion for both tariff setting and transfer funds between personnel and running costs but within conditions set by the ministry. Therefore, the data shows that a majority of responding organizations

perceived to have a low level of financial autonomy. In comparison to human resource autonomy, agencies are perceived to have a restricted level of financial autonomy.

For further explanatory analysis, all the items of financial management are combined to form an additive index which ranges from 0 (low degree of financial autonomy) to 1 (a large degree, of autonomy). For the purpose of interpretation, it was recoded into two categories, ranging from 0-0.5 for instances of a low degree of financial autonomy and 0.51-1.0 for instances of a high degree of financial autonomy. Most agencies (88%) reported having a low degree of financial autonomy.

7.5.1.3 Policy autonomy

Policy autonomy of agencies is studied from two perspectives which combine to form policy autonomy: policy development autonomy and policy implementation autonomy. The first element of policy autonomy refers to the extent to which agencies can develop or design policies. When questioned upon the ability to make policy decisions, respondents were given several options ranging from complete autonomy of policy formulation and implementation with the organizations to complete autonomy with the parent ministry.

Table 7.17 shows that for policy formulation autonomy 17% of the organizations responded saying they themselves are involved in policy formulation independently, while 45% indicated that they do take such decisions but under minor restrictions from the ministry, while a small number of responses were distributed between the option of the parent ministry itself and parent ministry after consultation. However, a limited number (3-6%) of organizations thought that policy formulation was the responsibility of the parent ministry solely or in consultation with its relevant agency. Such findings disclose that policies are formulated and designed through cooperation and consultation between the parent ministry and its agency.

Table 7. 17 Extent of Policy Autonomy

Policy autonomy	Formulation		Implementation	
	N	%	N	%
Organization itself	24	16.6%	49	33.8%
Organization under minor restrictions	66	45.5%	55	37.9%
Organization after consultation	26	17.9%	17	11.7%
Organization under restriction from the ministry	14	9.7%	14	9.7%
Parent ministry after consultation	9	6.2%	5	3.4%
Parent ministry itself	4	2.8%	2	1.4%
Neither	0	0.0%	0	0.0%
Total (assessed)	143	98.6%	142	97.9%

Policy autonomy (N=145)

While in case of policy implementation autonomy, which is the extent to which an agency can take decisions regarding the policy instruments such as the resources it can employ to meet its goals and objectives. Just 2% reported that the parent ministry makes decisions solely on its own; this is recoded as a low level of autonomy, approx. 4% said that the parent ministry made decisions after consulting the agencies, while 22% said agency makes decisions after consulting the ministry or under conditions given by it, whereas 72% perceived to make most decisions themselves or with minimum restrictions from the ministry (this is defined as the high level of autonomy). Overall, most agencies perceived to have a high level of policy implementation autonomy. This survey finding negates the NPM belief that most agencies are created for policy implementation purpose only, although the survey findings suggest that agencies have quite a high level of policy formulation autonomy as well. This is indicated through the large percentage of selected agencies who perceived to have policy formulation autonomy under minor restrictions.

7.6 Control

This study measures different elements of agency control; ex ante, ex post, structural control and informal control. Ex ante is measured through agency evaluation and the use of performance indicators, whereas, ex post control is measured through the frequency of reporting to the overseeing body and system of rewards and sanctions. Structural control is measured through 1) appointment of members, 2) board composition (representation of government or non-government actors), 3) evaluation of the agency head, and 4) the accountability of the agency head, and 5) appointment of agency head. The informal instruments of control that indicate how agencies are controlled informally by the overseeing authority is the frequency of informal contact between the agency and the parent ministry. The results of all these dimensions of control are discussed in the sections below.

7.6.1 Ex ante control

Ex ante control consists of two elements: the use of performance indicators and the presence of agency evaluation.

7.6.1.1 Performance indicators

Performance indicators are one of the ex ante measures of agency control. To assess the effect of this variable on the agency autonomy, response was collected against the question; concerning the goals of your organization; in which documents are these specified and do these goals refer to measurable targets? (more than one answer possible), against the options; Form of contract/performance agreement with parent ministry, establishment act or statute, subsidy document, budget allocation document, letter of regulation, documents focusing on individual objectives for CEO, documents with only an internal purpose within organization, and any others. As shown in Table 7.18, a majority of respondents perceived not having the agency goals (performance indicators) to be formally documented. However, 50% stated to have their goals with measurable targets specified in agencies internal document with only an internal purpose. Whereas,

39% stated to have their goals containing measurable targets specified in the CEO objective document.

Considering the relationship between performance indicators and all the dimensions of HRM and financial autonomy it is evident from Table 8.1 that statistically there exists no correlation between performance indicators and all the elements of autonomy.

Table 7.18 Ex ante Control through Performance Indicators

Performance indicators	Yes containing measurable targets(in numbers)	Yes containing measurable targets (%)	Yes without measurable targets(in numbers)	Yes without measurable targets (%)	No(in numbers)	No (%)	Total (Numbers/(%))
Form of (quasi-)contract with parent ministry (e.g. covenant, performance agreements)	15	10	4	3	126	87	145/100
Establishment act or statute	26	18	18	12	101	70	145/100
Specified in subsidy document	7	5	9	6	129	89	145/100
Budget allocation document/letter of allocation	49	34	7	5	89	61	145/100
Letter of regulation	12	8	7	5	126	87	145/100
Documents focusing on individual objectives for CEO	56	39	8	5	81	56	145/100
Documents with only an internal purpose within organization specify....	72	50	10	7	63	43	145/100
In other document	18	12	3	2	124	86	145/100

7.6.1.2 Agency evaluation

As discussed earlier in section 5.1.5.2, agency evaluation is a kind of ex ante control. Although the evaluation itself is ex post, it is stipulated ex ante and is the anticipation of future evaluation is expected to affect the agencies. Now to assess the ex ante mechanism of control, by analyzing evaluation of agencies, respondents were given five different options; organization evaluates results, parent ministry evaluates results, third part by order of organization evaluates results, third part by order of parent ministry evaluates results, others evaluate results. They were given the choice to select more than one of the statements if valid. As presented in Table 7.19, 79% agencies perceived to be evaluated by themselves, while 52% were

evaluated by the parent ministry. A minimal of 12-14% said that other parties evaluated them. Therefore, a majority of agencies perceive to be evaluated by themselves. Whereas, half of those that responded stated that the parent ministry evaluated them. Considering the relationship between agency evaluation and all the dimensions of HRM and financial autonomy it is evident from Table 8.31 that statistically there exists no correlation between agency evaluation and all the elements of autonomy. The only relationship which appears statistically correlated is with policy implementation. This indicates minimal effect of agency evaluation process on agency autonomy and control.

Table 7.19 Ex ante control through agency evaluation

Agency evaluation	No	Yes
Organization evaluates results	21%	79%
Parent ministry evaluates results	48%	52%
Third part by order of organization evaluates	88%	12%
Third part by order of parent ministry evaluates	86%	14%

7.6.2 Ex post control

Ex post control involves reporting frequencies and systems of rewards and sanctions

7.6.2.1 Reporting frequency

The first aspect of ex post control is reporting frequency. As shown in Table 7.20, 36% of agencies perceived to report to their parent ministry every 2 or 4 months, while 30% reported on a monthly basis. 28% said they reported on an annual basis. This pattern of reporting projects that agencies under the ministries or divisions tend to provide feedback to their respecting overseeing authorities on a regular basis.

Table 7.20 Ex post Control through Reporting Frequency

Reporting frequency	%	N
Never	1.4%	2
Less than one year	1.4%	2
Yearly	27.6%	40
Every half year	3.4%	5
Every 2 or 4 months	35.9%	52
Monthly	30.3%	44

7.6.2.2. Rewards and sanctions

The second indicator of ex post control in public organizations studied is the system of rewards in case of good results or on achieving targets for the organization or sanctions in the absence of those. Imposition of sanctions against target shortfalls and awarding extra incentives for achieving goals and targets is considered to be a result-oriented approach to control public agencies by the parent ministries or any overseeing governing body. A result based control mechanism is central to NPM.

As indicated in table 7.21 rewards or sanctions are not very commonly used as a way of providing incentives or to penalize agencies on account of good or bad performance. As shown in the findings of this study, 75% agencies said that they were not awarded any enhanced level of autonomy as a result of their positive performance, whereas 88% perceived not to be inflicted with a reduced level of autonomy on account of unmet targets of performance. However, 56% agencies perceived to experience increase in the wages of individual employees as an incentive for achieving stated targets and goals; while a majority (78%) of agencies said no such sanctions of wage decrease exists. This practice reassures the prevalence of a traditional system of remuneration in Pakistani state organizations, rather than the performance-based approach.

Rewards or sanctions through changes in resource allocation is not a commonly used way of providing incentives or penalizing agencies, as indicated by a majority of 81% agencies saying that no reduction in

resources allocation takes place in case of unachieved targeted goals. And similarly, for agencies that achieve good results, 62% said they were not awarded extra resources. This shows that once financial resources are allocated to organizations by the parent ministry, they are rarely increased or decreased on the basis of organizational results.

In case of failure to achieve targets, abolishment or restructuring of public organizations is an uncommon practice as reflected through 91% of response agencies, which perceived not to be subjected to closure or restructuring by the federal government.

The above discussion shows that public agencies are not commonly confronted with sanctions or rewards for the results achieved by them. The only exception is in the case of increment in wages to individual employees (56% of agencies said yes to it) as a result of good performance. This indicates that result-oriented control by the parent ministry is rarely completely dependent on the performance of the public agencies of Pakistan. Resources once allocated, or a certain level of autonomy or discretion granted to take managerial decisions, remain unaltered. Moreover, organizational restructuring is not associated with its performance. The closure or restructuring of public agencies is an outcome of government's policy decisions taken internally or as suggested or demanded by international funding authorities under foreign aid conditionalities.

Table 7.21 Ex Post Control through Rewards and Sanctions

Rewards for good performance	No	Yes
Wage increase	44%	56%
Increase resource allocation	62%	38%
Greater autonomy	75%	25%
Other rewards	92%	8%
<hr/>		
Sanctions for poor performance	No	Yes
Wage decrease	78%	22%
Resource allocation reduction	81%	19%

Autonomy reduction	88%	12%
restructuring or abolishment of organization	91%	9%
Others	96%	4%

7.6.3 Structural control

Structural control involves a series of means with which central governments can exert influence by structuring important ways in which an agency operates. Parent ministries and overseeing senior entities may control the disaggregated agencies through their appointment of agency heads and governing boards. The governing boards of these agencies may comprise of government or non-governmental representatives or a combination of both. The composition of the governing board may affect the way it can be regulated and controlled by its overseeing authority. The significance of the prevalence of executive boards has been highlighted by various academic scholars, stating how it can affect the degree of autonomy of agencies having governing boards. Christensen (2001:121-2) and Christensen and Yesilkagit (2006:208) stated that the existence of governing boards might lead to an enhanced level of managerial autonomy. The perceived mechanisms and degrees of structural control are narrated below.

7.6.3.1 Appointment of governing board members

Agencies with governing boards are susceptible to government intervention through the process of appointment of its members. The governing boards of public organizations may have representatives of the government (central, provincial or local), interest group or stakeholder representatives, representatives of political parties and independent experts. 47% of agencies (having boards) stated to have their board members selected and appointed solely by the federal government, while 18% said that the government selected them but after consulting the organization. However, merely 2% stated that they got selected once the federal government (ministry) consulted the interest groups of the organization. Since 29% of the agencies that responded had no governing boards, this means that the 47% of the agencies who said that their

board members got selected and appointed solely by the federal government was out of the 70% that had executive boards.

Table 7.22 Structural Control through Appointment of Board

Governing Board appointment	%
Not applicable	26%
Government	47%
government after consultation of the organization	18%
general council of the organization	3%
government after consultation of interest groups	2%
Parliament	2%
Other	2%

7.6.3.2 Governing board composition

The composition of the governing board is another indicator of the nature of government and ministerial control over the agency operating under them as an independent or attached department. The statistics in Table 7.23 clearly indicate that a majority (67%) of respondents informed to have central government officials as members of their executive bodies/boards. While non-government members belonging to different forums are in minority when compared to the government representation. Another category of officials having a high representation in the boards comes from the senior management of these federal agencies, whereby 53% of agency officials perceived to have their top management heading the agencies. A similar trend is also communicated in interviews conducted with agency and ministry officials whereby the heads of agencies, such as vice chancellors of academic organizations and director generals were informed to be members of their governing boards. They are also of the viewpoint that since most governing board members are appointed by the central government along with their maximum representation, the chances of being directed and controlled externally by the central government remains unquestioned. But at the same

instance, presence of the senior management official within the boards also provides an opportunity to defend and endorse the policy decision and viewpoint of agency officials. This scenario varies within agency structures, depending upon the extent to which its senior management sustains pressure from the federal joint secretaries, secretaries or ministers appointed as governing board members.

Table 7.23 Agency Control through Board Composition

Government	No	Yes
Central government	33%	67%
Other government	71%	29%
Non-government		
Labour union representatives	96%	04%
Employers organization representatives	89%	11%
stakeholders' representatives	85%	15%
Employees of the organization representatives	86%	14%
Independent experts	76%	24%
Top management representatives	47%	53%
Private shareholders reps	90%	10%
Other groups reps	93%	07%

7.6.3.3. Agency head evaluation

For the evaluation of the agency head, the responses were taken for; government evaluates, the governing board evaluates, parliament evaluates and other bodies evaluate. As presented in Table 7.24, the acquired responses indicated that 76 % perceived to be evaluated by the government authorities, while 43% said that their governing board evaluated them. A mere 6% informed that they were evaluated by the parliament. These figures clearly indicate that majority relied on the government for its heads evaluation. This trend indicates the manner and degree to which these autonomous agencies are still under the scrutiny of the central (federal) government which may result in a compromised state of decision making on the part of the agency officials in various organizational matters

Table 7.24 Control through Evaluation of Agency Head

Agency head evaluation	No	Yes
Government evaluation	24%	76%
Governing board evaluation	57%	43%
Parliament evaluation	94%	6%
Other bodies evaluation	94%	6%

7.6.3.4 Agency head accountability

The accountability of the head of an agency to its parent ministry and other higher authorities is assessed on different grounds. It is measured on the basis of agency results and achievement of a goal; general functioning of the agency; the financial basis of accountability and accountability on legality or compliance to rules and regulations. Considering the data presented in Table 7.25, it is evident that for all the forms of accountability the degree of control is very high. 90 percent of the agencies perceive to be accountable on agency results and goal; 88 percent agencies reported a high level of general functioning accountability. Similarly, all the agencies reported having high levels of legal and financial accountability. Such results endorse the ‘Centre’ dependent culture of public sector organizations in Pakistan. This indicates that the heads of agencies are held accountable for their results, general functioning, legal and financial matters. While 8% of agencies perceived that the heads of the agencies were also accounted for matters other than those questioned upon.

Table 7.25 Agency Control through Heads Accountability

Agency head accountability:	No	Yes
Results accountability	10%	90%
General functioning accountability	12%	88%
Financial accountability	21%	79%
Legal accountability	30%	70%
Other accountability	92%	8%

The reliability of the five items measuring accountability of the agency head was measured and since, $\alpha = .800$, which shows the items are reliable. Most items measuring agency heads accountability appeared to be worthy of retention, resulting in a decrease in the alpha if deleted. Therefore, removal of no item should be considered.

7.6.3.5 Appointment of agency head

A special, and crucial, case of appointment concerns the appointment of the Agency Head. As shown in Table 7.26, heads of agencies are mostly (73%) appointed either solely by the government authority or sometimes (13%) after consulting the agency senior personnel or interest groups. A very limited number (2%) of agencies perceived to have their heads appointed by the governing board or its general council. Majority of agency heads appointed by the government indicate a culture of intervention by the federal government. This situation refers to a compromised degree of managerial and financial management autonomy and a very high level of control by the federal government. The involvement of the governing board is minimal (2%). This finding is also replicated in recent appointments of heads of the federal agencies in Pakistan. One such exemplary case is the appointment of the head of National Accountability Bureau (NAB), the country's top anti-graft body agency, working under the ministerial division of Law, Justice and Human Rights. The federal government appointed a retired justice as chairman of NAB for a period of four years after consulting the leader of the house and leader of opposition in the national assembly (parliament). Another similar case is of the alleged illegal and non-transparent appointment of the head of the Higher Education Commission (HEC), one of the institutions in the higher education regulatory sector. Another such case was the appointment of an inexperienced and unqualified chief of the Oil and Gas Development Company (Verhoest et al., 2012). The appointment of the head of another autonomous body; Securities and Exchange Commission of Pakistan (SECP) is another case which elicits the appointment of agency heads based on favoritism, nepotism, violation of transparency, level playing field and deviation from the rules and also in violation of the provisions of the SECP Act. The selection of the chairman was only because of his relationship with the prime minister of the country. (Dawn, July 18, 2018). Even search committees

constituted to select shortlisted candidates for appointments as heads of institutions are placed under the chairmanship of federal ministers who tend to appoint candidates who could serve their political agenda. The stakeholders had raised concerns over such appointments. This may imply that appointment of the head of the agency does make a difference in its discretionary power to set general rules as well specific employee decisions of appointment, promotion, evaluation and/or dismissal of its staff. However, it has no commendable effect on the agencies financial and policy autonomy. Moreover, many federal autonomous bodies in Pakistan working under the administrative control of different ministries and divisions are without permanent heads. This has caused their performance to become compromised and leaves unmet needs of the citizens or clients they serve. Even when heads are appointed, the charge of the agency is handed over to the favorites (blue-eyed officers), who work to please the ministers or secretaries of the ministry/division (<https://www.brecorder.com>)

Table 7.26 Structural Control through Appointment of Head

Agency head appointment	%
Not applicable	4%
Governing board	2%
Government or minister	73%
Government after consultation of the organization or interest group	13%
General council of the organization	2%
Parliament	1%
Others	5%

7.6.4 Informal control

This section describes the patterns of informal control via informal contacts. To put the findings into perspective, formal contacts are also shown. The statistics on the frequency of informal contact as shown in Table 7.27 reveals that many (39%) perceive that the agency and its ministry meet informally on a weekly basis. Whereas, 18% of agencies said that this meeting happened on a monthly basis; 24% informed of this

interaction occurring once in three months. The table also shows that agencies and ministries have on average more informal than formal meetings. In Pakistan where the culture of collectivistic ideology prevails, coupled with political intervention and dictates, it is not very unexpected to say that informal contact between the agency and the ministerial members is held more frequently than formal contacts. This is shown in table 7.27 where 57.4% of agencies reported that they interact with their parent ministry informally on a weekly and monthly basis altogether. While a minimal of 2% said that they never had any informal contact with their overseeing entities.

Table 7.27 Informal control (informal contact) and formal contact (Percentage)

Measures of control	Never	Trimestral	Monthly	Weekly	Not relevant	Less than once a year	Yearly	Twice a year
Informal contact	2.1	24.1	18.4	39	9.2	1.4	4.3	1.4
Formal contact	0.7	15.5	42.3	23.2	5.6	2.1	3.5	7

Missing (formal contact) = 3
Missing (informal contact) = 4

To sum up the findings of the perceived state of control of federal agencies in Pakistan and its effect on their managerial autonomy so far, it may be stated that in Pakistan where the culture of collectivistic ideology prevails, coupled with political intervention and dictates, it is not very unexpected to say that informal contact between the agency and the ministerial members is held more frequently than formal contacts, which increases the chance of limiting agency autonomy.

7.7 Conclusion on the Real Scene of Pakistani Agencies

In response to the first research question addressed in this chapter pertaining to the autonomy and control of agencies, the data from the survey show that, agencies in various policy sectors of Pakistan have different characteristics. The data show that agencies are perceived to have a very low level of financial autonomy in comparison to its human resource management autonomy. However, a majority of agencies perceived to have a high level of policy implementation autonomy; whereby policy formulation was being

done at a fairly high level. This finding is in contradiction to the NPM belief that most agencies are created for policy implementation only. These results are validated further-on through the qualitative part of this study, which generates data by conducting semi-structured in-depth interviews of agency and ministry personnel. An overall perception on agency HRM, policy and financial autonomy is presented in the upcoming 9th chapter whose findings are based on in-depth interviews. But before we present the integrated findings of both our data collection methods on the perceived state of agency autonomy and control, the next chapter 8 discusses the effect of agency level features on its autonomy and control.

8 Relations between Agency Characteristics, Autonomy and Control: Quantitative Results, Analyses and Discussion

This chapter presents the empirical results, analysis and interpretation of the survey data collected. It explains the relationship between the independent variables; agency-level features and the dependent variables; autonomy and control. It narrates how and to what extent the agency characteristics have implications on the autonomy and control of federal agencies in Pakistan while addressing the research question:

RQ: To what extent do agency-level factors explain variance in autonomy and control of agencies in Pakistan?

On the basis of earlier studies conducted by various scholars on similar issues of public management, various hypotheses on the relationship of the independent and the dependent variables were formulated in chapter three. These hypotheses are tested using nonparametric statistical methods of Bivariate Spearman Rho Correlation and contingency tables, which are obtained by running cross tabulation technique of data analysis.

8.1 Bivariate Analysis; indicating the influence on autonomy

This part of the thesis focuses on how the different independent variables of the study, i.e. the structural, cultural and task-oriented features of the agency, correlate with the dependent variables of autonomy and political control. Does the level of autonomy and control vary according to the structural, task-oriented and cultural features of the agencies studied? We will begin by summarizing the results of bivariate analyses using Spearman's correlation coefficients for the study variables.

Further on, it is discussed as to what extent the findings support or reject the hypotheses made to assess and determine the relationship between agency characteristics and autonomy and control of agencies.

We will first present and discuss the main findings and will then discuss all relevant relations one by one.

The general picture: complex relations between agency features, autonomy and control

To provide an overview of the analyses of the perceived patterns of autonomy and control of federal agencies, considering the effect of agency characteristics on the autonomy and control of agencies, it can be stated that the empirical findings present a very complex portrait of the degree of influence the agency features have on the level of its autonomy and control. Some of the agency characteristics are related to some aspects of autonomy and control, but not consistently with all of them. These agency features do make a difference to the level of autonomy and control but not uniformly across all its dimensions.

The type of legal personality an agency has does not indicate any effect on any aspect of HRM autonomy. But it does make a difference for one aspect of policy autonomy and control through rewards granted on achieving results. Secondly, the presence of the governing board is very important for all the elements of HRM autonomy, financial management, and policy autonomy, but its existence does not make any difference on control by the political entities through the system of rewards, sanctions and reporting. Therefore, the effect of the governing board is in harmony with its expected relationship to autonomy and control in H2, considering it to be an indicator of the structural component.

Based on the analysis with regard to the task related features of agencies; it is inferred that the overall primary task and the policy sector makes no difference on the extent of autonomy and control for any dimension of HRM and policy autonomy. Though, the primary task does show a partial effect on financial autonomy. Another task feature: agency size makes no difference at all at any dimension of HRM autonomy, financial autonomy and policy autonomy; however it does affect control mechanism through rewards. For agencies that have a major portion of their funds coming in from self-generated income, makes a significant difference to every aspect of autonomy, but makes no difference for policy implementation autonomy and control. This relationship of income source with autonomy is as per the expectation given in H7. Whereas, having large budgets makes no difference for all the dimensions of HRM, financial and policy autonomy,

with the exception of strategic HRM autonomy. This finding negates what was expected in H6, as it only partially supports what was expected.

Table 8. 1 Bivariate Correlation between Independent and Dependent Variables. Spearman's Rho

Structural features	Strategic HRM autonomy	Operational HRM autonomy	Financial autonomy	Policy development autonomy	Policy implementation autonomy	Rewards	Sanctions	Reporting frequency
Legal personality	.152	.043	.153	0.283**	.145	.183*	.048	.137
Governance structure	.225**	.227**	.211*	.186*	.188*	.146	.031	.010
Agency size (FTE's)	.065	.097	.163	-.044	-.107	.173*	.168*	.013
Agency age	.047	-.020	.069	.064	-.099	-.017	.036	-.031
Budget size	.166*	.123	.116	-.068	-.001	.113	.171*	.112
Relational features	Strategic HRM autonomy	Operational HRM autonomy	Financial autonomy	Policy development autonomy	Policy implementation autonomy	Rewards	Sanctions	Reporting frequency
Agency head accountability	.089	.096	.012	.123	.182*	-.181	-.209	.077
Agency head appointment	.221**	.186*	.096	.070	.082	.095	.070	-.033
Formal contact	-.094	-.234**	-.098	-.068	-.133	.077	.152	-.018
Informal Contact	-.099	-.046	-.034	.003	-.103	.073	.134	.051

** : Significant at the .01 level; * : Significant at the .05 level (2- tailed)

Table 8.1 presents a summary of the relationships perceived to prevail between the independent and dependent variables of this study. A detailed analysis and results are already given throughout this chapter, which explain the effect of different agency features on its autonomy and control dimensions. In the table it is evident that some of the structural, task-oriented and cultural features of agencies have a high consistency with HRM autonomy, while others do not show any implications on the autonomy of the response agencies. This table acts as a basis to support or negate the hypotheses developed earlier in chapter 4.

To further explain the findings of the study in order to answer the question addressed in this chapter as reported through Table 8.1, it can be stated that the legal personality of agencies which is one of its structural feature is not related to or affects the managerial autonomy of agencies. This could imply that no matter

what the legal status of an agency is, its HRM and financial autonomy levels might be determined or affected by other factors that prevail within or external to the organization. Therefore, it can be deduced that owed to the heterogeneity of organizational features, its formal-legal status is not the ultimate measure of its level of autonomy. Secondly, statistical findings as reported in Table 8.1 upon the autonomy and control of agencies in relation to their governance structure indicate that agencies having a governing body are more independent in their human resource managerial decisions vis-a-vis those without it. Size of the agency which is another structural feature shows no statistical correlation at all with any dimension of human resource autonomy and policy formulation or implementation autonomy. This means that the size of the agency appears to have little relevance to the level of discretionary authority it has to take HRM and policy decisions. Since age of the agency is also not significantly correlated with any dimension of HRM and policy autonomy, it doesn't appear to have any effect on the autonomy and control of agencies.

Now to talk about the relationship between agency task and its autonomy and control, results indicate that the expectation that autonomy of the agency is associated with/affected by the primary task it performs is not supported in case of Pakistani agencies as the task is not found to be a variable that explains any changes in the autonomy of the public sector agencies for all its dimensions. Moreover, as indicated through the statistical relationship between size of agency budget and its autonomy and control it can be inferred that size of agency budget does not make a major difference in all the dimensions of autonomy, whereby strategic personnel autonomy is an exception, as it indicates a moderate level of relationship with agency budget. It means that the discretionary power of agencies to determine the general personnel management policy decisions without prior ministerial approval is affected by the size of its budget.

Now to analyze the effect of the agency characteristics on its control aspect, which is delineated through the accountability of its head, its appointment and the formal and informal interaction of the political and agency personnel it can be inferred from the statistical results shown in table 8.1 that there exists no significant correlation between agency heads' accountability and all the dimensions of HRM, financial or policy autonomy except for some degree of association is shown to exist between the accountability of agency head and policy implementation autonomy. This insignificant relationship which prevails between

most of the variables of autonomy may imply that the degree of discretion practiced by senior agency managers is not dependent on the nature of their accountability. However, there exists some degree of association between the appointment process of the agency head and its strategic and operational HRM autonomy. This may suggest that the degree of HRM autonomy is dependent upon the discretionary authority of the agency head. Moreover, since formal contact shows a negative association with the operational human resource management autonomy, this indicates that agencies could take more day to day decisions independently, if there is limited intervention or direction from the principle ministry.

8.1.1 Legal personality: some relation to dimensions of autonomy

One of the structural features of agencies under study is **its legal personality**, which refers to the legal independence of agencies, which can either be based upon a private law or public law, while some agencies may generate their own revenues while others depend entirely upon the government for their budget and funds (Van Thiel, 2009). Table 8.2 shows correlations between legal personality of agencies and the dependent variables of autonomy and control. Except for policy development autonomy, the legal status of agencies had no significant relation with the autonomy and control dimensions. This indicates that agencies that are legally independent from their parent ministries, having a separate legal identity of their own, created on the basis of some legal statute; ordinance, act or presidential order, are perceived to be involved in policy formulation activities. This finding is contradictory to the NPM philosophy which states that disaggregated organizations are meant primarily for implementation of policies coined by the political entities. Therefore, in the case of human resource management autonomy and policy implementation autonomy, the legal independence of agencies' holds no significance relation to them.

Thus, in general, H1 is not supported, which means that the managerial autonomy of agencies is not related to or affected by the legal personality of agencies. This finding negates the claim of some scholars saying that legal autonomy constrains the ability of the ministry to use hierarchical control since the legal autonomy granted to agencies act as a shield against political intervention (Christensen, 2001:129-130). This could imply that no matter what the legal status of an agency is, it's HRM and financial autonomy levels

might be determined or affected by other factors that prevail within or external to the organization. In Pakistan, the legal personality of an agency cannot always be the predictor for its discretionary powers, since actual (de-facto) state of autonomy, steering, and control by the overseeing minister or ministry may present a situation contrary to the formal autonomy granted in its legal document/act/ordinance which forms the basis of its creation. As per Pollitt et al. 2004, the autonomy of an agency is not directly linked to its formal legal personality; the reason being that autonomy is a multidimensional concept which may not present a similar level even amongst those agencies that have the same legal status. The formal structure of agencies is not the sole indicator of all the dimensions of their autonomy, rather, other important structural dimensions like its task should be equally considered along with its historical-institutional context and other influences coming in from external networks. This means that autonomy in practice cannot be inferred from the type of legal structure it has since there is a lot of variation in the level of autonomy prevalent in agencies of the same legal status (Pollitt, 2003b). Therefore, the survey data highlights the significance of relying on multiple indicators of autonomy in order to have the real picture of autonomy in practice within organizations which despite having similar legal formal status have varied levels of autonomy. It can be deduced that owed to the heterogeneity of organizational features, its formal-legal status is not the ultimate measure of its level of autonomy (Verhoest et. al. 2004). Table 8.2 presents the results indicating the relationship between agencies legal personality and its autonomy and control dimensions.

Table 8. 2 Bivariate Correlation between Legal Personality and DV. Spearman's Rho

Structural feature	Strategic HRM autonomy	Operational HRM autonomy	Financial autonomy	Policy development autonomy	Policy implementation autonomy	Rewards	Sanctions	Reporting frequency
Legal personality	.152	.043	.153	0.283**	.145	.183*	.048	.137

8.1.2 The governance structure: strongly linked to autonomy

The survey results indicate that the governance structure of agencies under study may have an effect on the autonomy and control of agencies: agencies that have their own governing boards have greater

discretion to formulate personnel policies to hire promote or downsize as well as in case of individual personnel decisions. Such entities are also perceived to make decisions related to financial matters such as setting tariffs and shifting expenditure heads. They are also equally involved in policy framing along with its implementation. Thus, the stated hypothesis (H2) is supported. Table 8.3 present the results interpreted in this paragraph about the significance of relationship between governance structure and autonomy and control variables.

Table 8. 3 Bivariate Correlation between Governance Structure and DVs. Spearman's Rho

Structural feature	Strategic HRM autonomy	Operational HRM autonomy	Financial autonomy	Policy development autonomy	Policy implementation autonomy	Rewards	Sanctions	Reporting frequency
Governing Board	.225**	.227**	.211*	.186*	.188*	.146	.031	.010

This indicates that agencies having a governing body are more independent in their human resource managerial decisions visa via those without it.

8.1.3 Agencies primary task: no strong relation with autonomy

Now considering the primary task of agencies, those that deliver services do perceive themselves to have more managerial autonomy than agencies involved in non-service or production task. In Table 8.4, it is evident that except for policy formulation and exercising public authority agencies, all other service delivery agencies perceived to have a fair level of strategic HRM autonomy. This means that most public organizations in Pakistan, specifically the service providers, do have the authority to make policy decisions related to personnel management without prior consent from ministers/ministries.

Table 8. 4 Intersection between Strategic HRM Autonomy and Primary Task

Strategic HRM autonomy	High		Low		Total
	N	%	N	%	
Policy Formulation	4	28.6	10	71.4	14
Regulation/Scrutiny	12	48.0	13	52.0	25
Excreting Public Authority	1	25.0	3	75.0	4
General Public Service	41	52.6	37	47.4	78
Business Industrial Service	17	70.8	7	29.2	24
Total	75	51.7	70	48.3	145

N=145

In Table 8.5, it is obvious that no matter which task an agency performs other than business and industrial services; it has a low level of operational HRM autonomy (see section 5.1.5.1 for the operationalization of high vs low autonomy). This means that public organizations in Pakistan do not have complete authority to take day to day decisions related to personnel management. Responses from business and industrial service providing agencies were almost the same in number when asked to rate themselves as agencies having a high level or low level of operational HRM autonomy.

Table 8. 5 Intersection between Operational HRM Autonomy and Primary Tasks

Operational HRM autonomy	High		Low		Total
	N	%	N	%	
Policy Formulation	4	28.6	10	71.4	14
Regulation/Scrutiny	9	36.0	16	64.0	25
Excreting Public Authority	1	25.0	3	75.0	4
General Public Service	26	33.3	52	66.7	78
Business Industrial Service	11	45.8	13	54.2	24
Total	51	35.2	94	64.8	145

N=145

The intersection between financial autonomy and agency tasks is summarized in Table 8.6. It is very evident from the percentages shown that no matter which type of task an agency renders, a majority of them perceived to have a low level of financial autonomy. This elicits a limited level of financial autonomy perceived to be in practice by the agencies. Taking loans, shuffling budgets or setting service tariffs, these decisions are not in the hands of the so-called autonomous bodies, since the government (ministry of finance) doesn't want to take their hands off the funding sources and wants to play a lead role in resource allocation decisions. The 'Center' plays the role of a treasurer who wants to control all financial matters.

Table 8. 6 Intersection between Financial autonomy and Primary Tasks

Financial autonomy	High		Low		Total
	N	%	N	%	
Policy Formulation	1	7.1	13	92.9	14
Regulation/Scrutiny	1	4.0	24	96.0	25
Excreting Public Authority	0	0.0	4	100.0	4
General Public Service	10	12.8	68	87.2	78
Business Industrial Service	5	20.8	19	79.2	24
Total	17	11.7	128	88.3	145

Therefore, based on empirical evidence, it can be stated that general public service and business and industrial services have generally more autonomy only for the strategic dimension of HRM autonomy in comparison to other non- service organizations. This finding thus, does not completely support H3a.

Table 8.7 presents a summary of the contingency table that shows the intersection between policy development autonomy and primary tasks. It shows that all the agencies under study, involved in any one of the five different primary task categories possess a fairly high level of policy development autonomy. Most regulatory agencies (88%) are perceived to be involved in policy development task. This appears to be a finding in contradiction to the NPM ideology which states that independent public agencies are merely policy implementers and are not engaged in formulating policies. The same is the case with business and

industrial services providing and general public service agencies. This implies that a majority of agencies, no matter what activity they are engaged in, are a part of the policy formulation process.

Table 8. 7 Intersection between Policy Development Autonomy and Primary Tasks

Policy Development	High		Low		Total
	N	%	N	%	
Policy Formulation	8	61.5%	5	38.5%	13
Regulation/Scrutiny	22	91.7%	2	8.3%	24
Excreting Public Authority	3	75.0%	1	25.0%	4
General Public Service	62	79.5%	16	20.5%	78
Business Industrial Service	21	87.5%	3	12.5%	24
Total	116	81.1%	27	18.9%	143

Missing = 2

Table 8.8 shows an intersection between the agency task and its policy implementation role. It suggests that no matter what kind of task an agency performs, a majority of them are perceived to play a dominant role in the implementation of policies framed, business and industrial services and regulatory agencies having the highest share. This supports the NPM based perspective that public agencies are created to carry out policies developed and designed by the central government bureaucracies. But in this study, public agencies are not just implementers of policies, a majority is perceived to be equally involved in framing them as well as discussed earlier above.

Table 8. 8 Intersection between Policy Implementation Autonomy and Primary Task

Policy Implementation	High		Low		Total
	N	%	N	%	
Policy Formulation	10	71.4%	4	28.6%	14
Regulation/Scrutiny	22	91.7%	2	8.3%	24
Excreting Public Authority	3	75.0%	1	25.0%	4

General Public Service	65	85.5%	11	14.5%	76
Business Industrial Service	21	87.5%	3	12.5%	24
Total	121	85.2%	21	14.8%	142

The overall results elicited in the contingency tables for agency tasks and autonomy in general, show that in case of strategic autonomy, a greater number of general public service delivery organizations perceive to have a higher HRM autonomy as compared to those agencies that formulate policies or exercise other public authority. This supports the hypothesis (H3a) that was built on the assumption that service delivery agencies had more HRM autonomy than those delivering non-service or production tasks.

Therefore, the expectation that “autonomy of the agency is associated with/affected by the primary task it performs” is not supported in case of Pakistani agencies as the task is not found to be a variable that explains any changes in the autonomy of the public sector agencies for all its dimensions.

As shown in tables 8.4, 8.5 and 8.6 the only exception in this study is of the agencies that perform business and industrial services. These agencies perceive to have a slightly greater degree of strategic, operational HRM, and financial autonomy as compared to the other agency types. In business and industrial service agencies, the moderate level of financial autonomy may indicate that business and industrial service delivery agencies may be financed primarily by the ministry, but a minor part of its funding is generated from sources other than the central government.

Now to test H3b, which stated that agencies that offer service delivery tasks will be more autonomous but encounter more result based control in comparison to agencies rendering other types of primary tasks, tests of independence or association between a primary task and various results based control measures were performed. Table 8.9 shows that no matter which task an agency is performing, it perceived to be rewarded in case of achievement of results.

For H3b, since there is no evidence of an association between any of the agency tasks and one of the result-control measures; rewards and sanctions, this assumption is also not supported. The only task that shows evidence of a relationship with one dimension of result control; rewards is general public service. The frequency with which the organization reports its results and goals achieved to its political superior body is

another indicator of result control. There is no evidence of the relationship between the primary task of agencies and the frequency with which they report organizational results to their overseeing government body; thus, it does not provide support to H3b at all. This may imply that the task performed by agencies is not a dominant factor which could explain the realized state of autonomy and extent of political control by overseeing ministries or ministers.

Another reason could be that the organizations that responded present application of the partial system of result control, since the use of performance indicators are generally an internal process and not used by the parent ministry to steer and control the agency. Since autonomy is a multidimensional concept, it's not feasible to outline hardcore factors that may influence the level of agency autonomy and its control. The notion of rational choice theorists which says that agencies performing easily measurable tasks (since the parent ministry can easily monitor its results) like service delivery are expected to have more managerial autonomy than the others is not completely supported in this study. Logical reasoning might be the fact that agencies operate as entities having a certain cultural ideology within and other factors prevalent in its external environment, which might also pose threat to its discretionary powers, thus limiting autonomy.

Table 8. 9 Intersection between Reward (Result Based Control) and Primary Tasks

Rewards	No		Yes		Total
	N	%	N	%	
Policy Formulation	2	14.3%	12	85.7%	14
Regulation/Scrutiny	1	4.0%	24	96.0%	25
Excreting Public Authority	0	0.0%	4	100.0%	4
General Public Service	17	21.8%	61	78.2%	78
Business Industrial Service	2	8.3%	22	91.7%	24
Total	22	15.2%	123	84.8%	145

Table 8. 10 Intersection between Sanction (Result Based Control) and Primary Tasks

Sanctions	No		Yes		Total
	N	%	N	%	
Policy Formulation	6	42.9%	8	57.1%	14
Regulation/Scrutiny	10	40.0%	15	60.0%	25
Excreting Public Authority	1	25.0%	3	75.0%	4
General Public Service	38	48.7%	40	51.3%	78
Business Industrial Service	9	37.5%	15	62.5%	24
Total	64	44.1%	81	55.9%	145

To analyze the relationship between reporting frequency and the level of autonomy and control of agencies, Table 8.11 elicited that out of a total of 104 service delivery agencies, 20 agencies providing business and industrial services, reported within a period of 1month - 4 months. Whereas, out of 78 agencies providing general public services 26 said they reported on a yearly basis, while 44 agencies reported within a period of 1month - 4 months. Similarly, for non-service delivery task agencies, most agencies also perceived to be reporting within a period of 1month - 4 months. Since the majority of agencies falling under different task categories perceived to report to their overseeing authority mostly within a period of 4 months. This response does not indicate any difference between the level of control exerted upon agencies offering different service or production (non-service) tasks. This finding does not support H3b which expected service agencies to encounter more result-based control.

Table 8. 11 Intersection between Frequency of Reporting and Primary Task

	Policy formulation		Regulation/Scrutiny		Exercising Public Authority		General Public Service		Business and industrial services		Total	
	N	%	N	%	N	%	N	%	N	%	N	%
Never	0	0.0	0	0.0	0	0.0	1	1.3	1	4.2	2	1.4
Less than one year	0	0.0	0	0.0	0	0.0	2	2.6	0	0.0	2	1.4
Yearly	4	28.6	6	24.0	1	25.0	26	33.3	3	12.5	40	27.6
Every half year	0	0.0	0	0.0	0	0.0	5	6.4	0	0.0	5	3.4
Every 2 or 4 months	6	42.9	12	48.0	2	50.0	21	26.9	11	45.8	52	35.9
Monthly	4	28.6	7	28.0	1	25.0	23	29.5	9	37.5	44	30.3
Total	14	100.0	25	100.0	4	100.0	78	100.0	24	100.0	145	100.0

8.1.4 Size of agency: not related to autonomy

Agency size, which is the indicator of structural capacity, is indicated by the total number of full-time employees it has. It is expected that the larger an agency is the more resources it has at its disposal to allocate with less interference from the superior overseeing entity. Here it shows no statistical correlation at all with any dimension of human resource autonomy and policy formulation or implementation autonomy. This means that the size of the agency appears to have little relevance to the level of discretionary authority it must take HRM and policy decisions. Thus, H4 is not supported with the perceived findings.

Table 8. 12 Bivariate Correlation between Agency Size and Dependent Variables. Spearman's Rho

Structural features	Strategic HRM autonomy	Operational HRM autonomy	Financial autonomy	Policy development autonomy	Policy implementation autonomy
Agency size (FTE's)	.065	.097	.163	-.044	-.107

8.1.5 Policy field: no field-wide pattern for salience

In case of policy field which is an indicator of the political salience of the agency, in Tables 8.13, 8.14 and 8.15 this variable shows that in case of strategic HRM autonomy, out of all agencies in general public services (GPS), 48% have high autonomy. This compares to 80% for defence, 61% for economic affairs, 14% for environmental protection, 50% for housing and community amenities, 14% for health, 67% for culture, 54% for education and 67% in Social protection and culture, while of all agencies in general public services, 52% have low autonomy. This breakup of agencies indicating low or high strategic HRM autonomy doesn't show much of a difference between service delivery organizations being more autonomous or less. Similarly, in the case of those agencies that fall under the welfare sector; like health and education, the distribution between high and low levels of strategic HRM autonomy do not indicate much difference, especially within the education sector. However, for agencies in the health sector, the majority perceived to have low strategic HRM autonomy. A majority of agencies in the social protection sector also perceive to have a high level of strategic HRM autonomy.

These results don't present a consistent trend in strategic HRM autonomy levels within welfare agencies, while most of the agencies in the other non-welfare policy fields perceive to have a high level of strategic HRM autonomy. For operational HRM autonomy, the majority of agencies perceived to have a low level of autonomy, no matter which policy sector it belongs to. A similar trend prevails in case of financial autonomy as well. These findings do not support H5, which assumes that agencies in the welfare or social sector may be less autonomous as compared to those lying in the other sectors. Since the policy sector does not indicate any specific trend with HRM autonomy; therefore, overall, this hypothesis on the political salience of the agency sector it prevails in is not confirmed. This means that the claim made by earlier scholars about agencies in the welfare or other social sectors like health, education being more politically salient because of affecting the citizens more directly is not supported through this study. This could imply that in Pakistan the criteria of importance for a public organization might not be always based on its policy area, but there may be other reasons.

Presently, Pakistan is marked by rampant corruption in various public organizations (Lodhi, 2011). The Supreme Court of Pakistan which is the apex court in the federal judiciary hierarchy is intervening in the internal administrative matters of the agencies considered to be politically salient on the basis of the effect they are expected to have on the citizens they serve (Tanoli, 2018). And this influence coming from the higher federal government authority is not necessarily imposed on the agencies operating in the welfare or social sectors, it could be on an agency involved in corrupt and undesirable/unlawful practices in any of the policy areas such as the anti-graft body of Pakistan; National accountability Bureau which lies under the law ministry, Pakistan Civil Aviation Authority (under aviation division), Drug Regulatory Authority of Pakistan (health sector), Oil and Gas Regulatory Authority (energy sector), and few other agencies in the health and education sector (Verhoest et. al., 2012). Therefore, elements other than the political administrators in Pakistan may show more interest in agencies to safeguard the interests and rights of the citizens. This implies that political salience is not the only independent variable that could explain the mechanism and degree of control from the ministerial government in Pakistan.

Table 8. 13 Intersection between Policy Field and Strategic HRM Autonomy

Policy Field	Strategic HRM autonomy					
	in numbers			in %		
	High	Low	Total	High	Low	Total
General public services	21	23	44	48	52	100
Defence	4	1	5	80	20	100
Public Order	3	2	5	60	40	100
Economic Affairs	20	13	33	61	39	100
Environmental Protection	1	6	7	14	86	100
Housing and community amenities	2	2	4	50	50	100
Health	1	6	7	14	86	100
Culture	4	2	6	67	33	100
Education	15	13	28	54	46	100
Social Protection	4	2	6	67	33	100
Total	75	70	145	52	48	100

N=145

Table 8. 14 Intersection between Policy Field and Operational HRM Autonomy

Policy Field	Operational HRM autonomy					
	in numbers			in %		
	High	Low	Total	High	Low	Total
General public services	13	31	44	30	70	100
Defence	4	1	5	80	20	100
Public Order	1	4	5	20	80	100
Economic Affairs	15	18	33	46	54	100
Environmental Protection	1	6	7	14	86	100
Housing and community amenities	1	3	4	25	75	100
Health	1	6	7	14	86	100
Culture	2	4	6	33	67	100
Education	9	19	28	32	68	100
Social Protection	4	2	6	67	33	100
Total	51	94	145	35	65	100

N=145

Table 8. 15 Intersection between Policy Field and Financial Autonomy

Policy Field	Financial Autonomy					
	in numbers			in %		
	High	Low	Total	High	Low	Total
General public services	3	41	44	07	93	100
Defence	2	3	5	40	60	100
Public Order	0	5	5	0	100	100
Economic Affairs	5	28	33	15	85	100
Environmental Protection	1	6	7	14	86	100
Housing and community amenities	0	4	4	0	100	100
Health	1	6	7	14	86	100
Culture	2	4	6	33	67	100
Education	3	25	28	11	89	100
Social Protection	0	6	6	0	100	100
Total	17	128	145	12	88	100

N=145

8.1.6 Agency budget size: only related to Strategic HRM Autonomy

For the size of agency budget, which is considered to be another indicator of political salience of the agency, Table 8.1 shows that there is only a statistically positive correlation with strategic HRM autonomy, while no significant correlation prevails between the size of the budget and the other two dimensions of HRM and policy autonomy. Thus, H6, in general, is not supported for all the agencies. To further compare the levels of autonomy between the agencies having a large, medium or small size budget, contingency tables are generated which as depicted in Table 8.16 indicate that the level of autonomy remains almost similar for all the three categories of agencies, this means that no matter what budget size agencies have they are perceived to have a similar pattern of autonomy. i.e. large and small budget agencies, both are reported to have an almost equal percentage of low or high degree of strategic managerial autonomy, However, for those agencies that have medium sized budget 83-100% perceived to have a fairly high degree of both strategic and operational HRM autonomy. But this finding is based upon a very small number (6 out of 145, i.e. a mere 4%) of agencies who had medium sized budget, which makes it difficult to draw firm conclusions. While a majority of agencies had small sized budgets (107 out of 145;74%) In case of financial autonomy, a majority of agencies, having large, medium or small budgets perceive to have limited discretionary authority to set product or service tariffs, take loans for investment purpose or shuffle funds between various heads of expenditure.

Table 8. 16 Intersection between Strategic HRM autonomy and Budget Size

Budget category	Strategic HRM Autonomy				Total
	High	N	Low	N	
Large	57.1%	16	42.9%	12	100%
Medium	100%	06	0%	0	100%
Small	47.7%	51	52.3%	56	100%
Total	51.7%	73	48.3%	68	100%

Table 8.17 Intersection between Operational HRM autonomy and Budget Size

Budget category	Operational HRM Autonomy				Total
	High	N	Low	N	
Large	50.0%	14	50.0%	14	100%
Medium	83.3%	05	16.7%	01	100%
Small	28%	30	72.0%	77	100%
Total	35.2%	49	64.8%	91	100%

Table 8.18 Intersection between Financial Autonomy and Budget Size

Budget category	Financial Autonomy				Total
	High	N	Low	N	
Large	21.4%	6	78.6%	22	100%
Medium	16.7%	1	83.3%	05	100%
Small	9.30%	10	90.7%	97	100%
Total	11.7%	17	88.3%	124	100%

Considering the case of policy development autonomy, agencies with large, medium or small budget sizes, all equally perceive to have a high autonomy level. This implies that no matter what size of budget an agency has it is generally involved in the formulation of policies along with the political agents. This finding is also supported by the descriptive data provided in chapter 8 under Table 8.19. Similarly, for policy implementation autonomy, 75% of large budget agencies report to have high autonomy, while 84% of small budget agencies report high autonomy to implement policies. Whereas, in this study, all the medium budget agencies report a full 100% autonomy. This implies that for any size of agency budget the level of policy implementation autonomy remains high and unchanged. The findings of this analysis do not in general support H6, using the budget as the indicator of agency size. This implies that size of the budget does not make a major difference in all the dimensions of autonomy, whereby strategic HRM autonomy is an exception, as it indicates a moderate level of relationship with agency budget. It means that the discretionary

power of agencies to determine the general personnel management policy decisions without prior ministerial approval is affected by the size of its budget.

Table 8. 19 Intersection between Policy Development Autonomy and Budget Size

Budget category	Policy development autonomy		Total
	High	Low	
Large	71.4%	28.6%	100%
Medium	83.3%	16.7%	100%
Small	81.3%	16.8%	100%
Total	80.8%	18.6%	100%

Table 8. 20 Intersection between Policy Implementation Autonomy and Budget Size

Budget category	Policy Implementation Autonomy		Total
	High	Low	
Large	75.0%	25.0%	100%
Medium	100.0%	0%	100%
Small	84.1%	13.1%	100%
Total	83.4	14.5%	100%

8.1.7 Agency age: not related to autonomy

Age of the agency is not significantly correlated with any dimension of HRM and policy autonomy as indicated in Table 8.21 below. Thus, H9 is not supported at all. Age of the agencies does not appear to have any effect on the autonomy and control scenario probably because the norms established within the agencies over the passing years is not so dominant as the other external political elements.

Table 8. 21 Bivariate Correlation between Agency Age and Dependent Variables. Spearman's Rho

Structural feature	Strategic HRM autonomy	Operational HRM autonomy	Financial autonomy	Policy development autonomy	Policy implementation autonomy	Rewards	Sanctions	Reporting frequency
Agency age	.047	-.020	.069	.064	-.099	-.017	.036	-.031

8.1.8 Income source: source of (HRM) autonomy

To determine the relationship between managerial autonomy and income source of agencies, contingency tables 8.22, 8.23 and 8.24 are developed. The income source determines the level of autonomy granted to agencies at all the dimensions of HRM autonomy and policy formulation autonomy. Table 8.22 shows that out of a total of 74(51%) agencies perceived to have a high level of strategic HRM autonomy, a majority of 30(49%) are those that are mixed, but more funded by parent ministry, whereas 15(68%) agencies are those that mostly rely on their own generated income. While 7(32%) agencies who perceived to rely on their own generated income thought they had limited discretion to set general rules and HRM policies and procedures.

These figures indicate that agencies that rely more on their self-generated income are more autonomous in strategic HRM matters. These statistics do not indicate any specific trend of HRM autonomy in case of agencies funded by the government. Overall, these findings support the H7, which is based on the assumption that agencies that rely more on their self-generated income have the authority to set general principles and rules as well as day to day operational matters with respect to HRM with no or limited interference from their overseeing authority.

Table 8. 22 Intersection between Strategic HRM Autonomy and Income Source

Financing/StrategicHRM autonomy	in numbers			in %		
	High	Low	Total	High	Low	Total
Solely funded by parent ministry	25	30	55	45	55	100
Mixed, but more funded by parent ministry	30	31	61	49	51	100
Mixed, but more funded by self-generated or other	4	2	6	67	33	100
Solely funded by self- generated or other	15	7	22	68	32	100

Out of 35% (50 out of 144) agencies that reported to have a high operational HRM autonomy, 59% (13 out of 50) were those that generated their own funds, whereas 33% (18 out of 50) were funded by the government. Similarly considering 65% of agencies that stated to have a low level of operational HRM autonomy, 88% (37 out of 94) agencies were those that were funded by the federal government. These findings support H7, which assumes that agencies that rely more on their self-generated income have more managerial autonomy as compared to those agencies that are funded by the government.

Table 8. 23 Intersection between Operational HRM Autonomy and Income Source

	in numbers			in %		
	High	Low	Total	High	Low	Total
Solely funded by parent ministry	18	37	55	33	67	100
Mixed, but more funded by parent ministry	15	46	61	25	75	100
Mixed, but more funded by self- generated or other	4	2	6	67	33	100
Solely funded by self-generated	13	9	22	59	41	100

Looking at table 8.24, it is evident that a majority of agencies have limited financial autonomy, whereby an equal number of both funding categories perceive to have a high level of financial autonomy. However, more government-funded agencies perceive to have a low level of financial autonomy. Out of 16(11%) agencies that perceive to have a high financial autonomy, an equal number of agencies fall under both funding categories. However, of 128 agencies that perceive to have a low level of financial autonomy, a majority (108) of agencies rely on government funds. This finding supports H7 which assumes that self-funded entities are more autonomous. This implies that for federal agencies, the source of agency income is a significant determinant of their financial autonomy.

Table 8. 24 Intersection between Financial Autonomy and Income Source

	in numbers			in %		
	High	Low	Total	High	Low	Total
Solely funded by parent ministry	4	51	55	7	93	100
Mixed, but more funded by parent ministry	4	57	61	7	93	100
Mixed, but more funded by self-generated or other	1	5	6	17	83	100
Solely funded by self-generated	7	15	22	32	68	100

To sum up the previous analysis on the effect of the structural features of agencies on their autonomy (control), it can be inferred that the presence of a governing board within agencies has a significant effect on the autonomy of these agencies as was assumed to be. Therefore, agencies with boards are less susceptible to intervention and dictates from the senior authorities, in matters of strategic and operational HRM as well as financial management. However, for task-oriented features of agencies, the effect of all the task related features is minimal, income source being the only exception which brings a significant difference to the level

of autonomy (control). This means that agencies that rely on their own funds generated through product and service delivery or other sources have the discretion to take HRM and policy decisions with limited ministerial intervention. Now for the characteristics of agencies such as the agencies' age and informal interaction between the senior agency personnel and political elites, statistically there exists no relationship between these factors and the level of perceived autonomy. It implies that no matter how old an agency gets or whatever be the frequency of informal contact between the agency and its ministerial elites, the degree of HRM and policy autonomy remains unaffected. These findings are actually totally contrary to the assumptions hypothesized.

8.2 Effects of Control-Related Variables

Now to study the effect of the control variables on the level of autonomy perceived to be practiced within the response agencies, this section presents the indicators of control studied in this study which depict the extent to which the agencies are exempted of constraints on their decision making competency. These variables are categorized under four different control dimensions; 1) ex ante control: which is indicated through the variables (i) performance indicators and (ii) agency evaluation 2) ex post control: measured through the variables, (i) frequency of reporting to the parent ministry (ii) rewards and sanctions 3) structural control: indicated through (i) appointment of the members of the governing board (ii) composition of governing board (iii) evaluation of the agency head (iv) accountability of agency head and (v) agency heads appointment, and 4) informal control, which is measured through the frequency of informal contact between the agency top management and the elected politicians.

8.2.1 Ex ante control

Ex ante control is measured with two variables; performance indicators and agency evaluation, whose relationship with the agency autonomy is discussed in the sub sections, 8.2.1.1 and 8.2.1.2 below:

8.2.1.1 Performance indicators

The use of performance indicators within agencies is measured against how the goals are specified and in which document/documents. This ordinal variable was measured by calculating an additive index of all its 8 categories for which we received responses against the scores (00=no; 0.5=without performance indicators; 1=with performance indicators). Correlation was determined between the aggregate variable of performance indicators and the dependent variables to measure the strength and direction of their relationships.

As given in table 7.18, a majority of responses indicated minimal use of measurable performance targets. However, as shown in table 8.25 there exists no statistical correlation between performance indicators and all the dimensions of HRM, financial or policy autonomy. This insignificant relationship may imply that the degree of discretion practiced by senior agency managers is not dependent on this measure of ex ante control.

Table 8.25 Bivariate Correlation between Performance indicators and DVs. Spearman's Rho

Control features	Strategic HRM autonomy	Operational HRM autonomy	Financial autonomy	Policy development autonomy	Policy implementation autonomy
Performance indicators.	-.012	.037	.147	.000	.043

8.2.1.2 Agency evaluation

Agency evaluation is an ex ante form of control. To see the effect of this control type on the different dimensions of agency autonomy, bivariate correlation was conducted which indicated a statistically insignificant relationship between agency evaluation and all the dimensions of strategic HRM autonomy, financial autonomy and policy development. However, it shows a significant relationship with policy implementation autonomy, which could imply that the discretion to implement policies by the agency managers is dependent upon who evaluates the entity. However, the insignificant

relationship between the other variables may imply that the degree of discretion practiced by senior agency managers is not dependent on the mechanism of its agencies evaluation.

Table 8.26 Bivariate Correlation between agency evaluation and DVs. Spearman's Rho

Control features	Strategic HRM autonomy	Operational HRM autonomy	Financial autonomy	Policy development autonomy	Policy implementation autonomy	Rewards	Sanctions	Reporting frequency
Agency evaluation	.026	-.027	.113	.012	.217**	.121	.024	.079

** : Significant at the .01 level; * : Significant at the .05 level (2- tailed)

8.2.2 Ex post control

Ex post control is measured through the frequency of reporting to the parent ministry and the system of rewards and sanctions.

8.2.2.1 Reporting frequency

The frequency with which the agency reports to its ministry or division overseeing it is a measure of its ex post control. As shown in Table 8.27, to see the effect of this control type on the different dimensions of agency autonomy, bivariate correlation was conducted which indicated a statistically insignificant relationship between the reporting frequency and all the dimensions of HRM autonomy, financial autonomy and policy autonomy. This implies that the frequency with which the agency reports to its ministry or division overseeing does not have any effect on its degree of autonomy to take managerial decisions.

Table 8.27 Bivariate Correlation between reporting frequency and DVs. Spearman's Rho

Control features	Strategic HRM autonomy	Operational HRM autonomy	Financial autonomy	Policy development autonomy	Policy implementation autonomy
Reporting frequency	.055	-.065	-.077	-.023	.057

8.2.2.2 Rewards and sanctions

To assess the relationship between the system of awarding rewards or imposing sanctions upon agencies and its degree of autonomy, the correlation coefficient between this control variable and the discretionary authority of agencies indicate no significant relationship at all as shown in Table 8.28 below. This implies that the ex post mechanism of control has limited effect on the agency autonomy.

Table 8.28 Bivariate Correlation between system of awards and sanctions and DVs. Spearman's Rho

Control features	Strategic HRM autonomy	Operational HRM autonomy	Financial autonomy	Policy development autonomy	Policy implementation autonomy
Rewards	.089	.046	.033	.071	.139
Sanctions	-.039	.010	.017	-.129	-.126

** : Significant at the .01 level; * : Significant at the .05 level (2- tailed)

8.2.3 Structural control

The relationship of the dimensions of structural control with the indicators of agency autonomy is discussed in sub sections 8.2.3.1 and 8.2.3.2 below.

8.2.3.1 Appointment of board members

Who actually appoints the board members indicates the level of interference and governments influence that may accompany it. This question only applies to those agencies where an appointed board is present (see Ch.. 7). In the case of majority appointments being done by parent ministry, this may inhibit the organization's autonomy to manage personnel and financial resources. Table 7.22 shows that a majority (73%) of agencies having governing boards stated that the government appoints its members, while a limited number (18%) of agencies perceived to have their board members appointed after consulting the agency personnel. Whereas, a mere 2% said that the stakeholders were consulted before appointing members of the board. This implies that such organizations in Pakistan in practice have limited freedom to manage because

of the influence or pressure coming in through their governing boards, whose members are appointees of the ministerial heads, selected by them to serve their own vested interests. The parent ministries thus place their own representatives on the board to have political control over them.

Table 8.29 shows that out of a total of 52% (75 out of 144) responses who perceived to have a high level of autonomy in taking strategic HRM decisions, informed that members of the governing board were appointed mostly solely by the government or after consulting the organization. This situation very clearly indicates influence upon the level of HRM autonomy through the process of appointment of the governing board of the agency.

Table 8. 29 Intersection between Board Appointment and Strategic HRM Autonomy

Strategic HRM autonomy		Board appointment							Total
		Not applicable	Government	government after consultation of the organization	the general council of the organization	government after consultation of interest groups	Parliament	Other	
High	N	12	37	18	3	2	1	2	75
	% within stg aut	16	50	24	4	3	1	3	100
	% within board appointment category	32	54	63	75	67	33	67	52
	% of Total	8	26	12	2	1	1	1	52
Low	N	26	31	8	1	1	2	1	70
	% within stg aut cat	37	44	11	1	1	3	1	100
	% within board appointment category	68	46	31	25	33	67	33	48
	% of Total	18	21	6	1	1	1	1	48
N		38	68	26	4	3	3	3	145

Similarly, for the relationship between appointments of board members and the level of operational autonomy the agency officials have, Table 8.30 shows that out of a total of 65% (94 out of 144) responses who perceived to have a low level of autonomy in taking operational level HRM decisions, 39% informed that members of the governing board were appointed mostly solely by the government or after consulting the

organization. This data very clearly indicates that the degree of discretionary authority to undertake even operational level decisions is dependent upon the process of the appointment of the members of the governing board.

Table 8. 30 Intersection between Board Appointment and Operational HRM Autonomy

Operational HRM autonomy		Board appointment							Total
		Not applicable	Government	government after consultation of the organization	general council of the organization	government after consultation of interest groups	Parliament	Other	
High	N	7	26	12	3	1	1	1	51
	% within oper autonomy category	14	51	24	6	2	2	2	100
	% within board appointment category	18	38	46	75	33	33	33	35
	% of Total	5	18	8	2	1	1	1	35
Low	N	31	42	14	1	2	2	2	94
	% within oper autonomy cat	33	45	15	1	2	2	2	100
	% within board appointment category	82	62	54	25	67	67	67	65
	% of Total	21	29	10	1	1	1	1	65

Now to study the effect of the process of appointment of the members of the governing board of agencies under study on their financial autonomy, Table 8.31 very evidently presents results that indicate a majority of 88%(128 out of 144) to perceive having a low level of financial autonomy since almost 56% respondents perceived that board members were appointed either solely by the government or in consultation with the agency.

Such a trend very clearly presents the relationship between who appoints board members and the agency autonomy.

Table 8. 31 Intersection between Board Appointment and Financial Autonomy

Financial autonomy		Board appointment							Total
		Not applicable	Government	government after consultation of the organization	general council of the organization	government after consultation of interest groups	Parliament	Other	
High	N	1	9	5	1	1	0	0	17
	% within financial autonomy	6	53	30	6	6	0	0	100
	% within board appointment options	3	13	20	25	33	0	0	12
	% of Total	1	6	3	1	1	0	0	12
Low	N	37	59	21	3	2	3	3	128
	% within financial autonomy	29	46	16	2	2	2	2	100
	% within board appointment options	98	87	81	75	67	100	100	88
	% of Total	26	41	15	2	1	2	2	88
N		38	68	26	4	3	3	3	145

8.2.3.2 Agency board composition

The composition of an agencies board of governors is based upon two categories of members, one refers to the government representatives, whereas the other includes the non-governmental members. These two variables were measured by computing an additive index of the nominal variables of both categories (government and non-government members). To see the effect of the composition of the governing board on the agency autonomy, bivariate correlation was conducted which indicated a statistically significant relationship between government representatives' board and strategic HRM autonomy as well as policy development autonomy. This indicates that when the governing boards of agencies comprises of government representatives, they may have the discretion to take strategic level managerial decisions and also influence the government or its line ministry to formulate policies conducive for the respective organization. Whereas, for the non-government board composition there exists no relationship between the two (dependent and independent) variables, thus indicating that a higher percentage of non-governmental members in its governing board do not change the discretionary authority of agencies in taking various strategic and

operational level decisions. However, since there exists a positive correlation between non-governmental composition and the financial autonomy of agencies, it indicates that when the board comprises of non-governmental members in majority, this enables the agencies to take decisions in financial matters more independently and autonomously.

Table 8. 32 Bivariate Correlation between Board Composition and DVs. Spearman's Rho

Control features	Strategic HRM autonomy	Operational HRM autonomy	Financial autonomy	Policy development autonomy	Policy implementation autonomy	Rewards	Sanctions	Reporting frequency
Non- government board comp.	.081	.076	.189*	.111	.106	.047	-.075	.038
Government board composition	.174*	.106	.128	.222**	.096	-.041	.013	-.002

8.2.3.3 Agency heads evaluation

The process of evaluation of the agency head is another indicator of control over the autonomous bodies. As shown in Table 8.33, which indicates the directional relationship between agency heads evaluation and the dependent scale variables, through the Eta values which is the measure of association between these variables. In this case Eta coefficient is used since it is a test for correlation between a nominal (agency heads evaluation) and scale variables (agency autonomy). As indicated by all the ETA statistics, there exists very minimal association between the process of agency heads appointment and its HRM autonomy and financial autonomy. Table 8.33 presents the results indicating the nature of relationship between evaluation of the agency head and its autonomy, where approx. 2% of the variance in strategic HRM autonomy and operational autonomy can be accounted for the agency heads evaluation method. Similarly a minimal change of approx. 4% is expected to occur in the level of policy development and implementation autonomy due to the evaluation method of the agency head. However, 7.6% of the variance in financial HRM autonomy is attributed to the evaluation process of the head of the agency. This indicates a moderate effect of the heads evaluation method on its financial autonomy, since as per rule if η^2 (Eta-squared) = 0.01 indicates a small effect; $\eta^2 = 0.06$ indicates a medium effect; $\eta^2 = 0.14$ indicates a large effect.

Table 8. 33 Directional Measure between agency head evaluation and DVs. Spearman's Rho

Structural feature	ETA values				
	Strategic HRM autonomy	Operational HRM autonomy	Financial autonomy	Policy development autonomy	Policy implementation autonomy
agency head evaluation	.016(1.6%)	.019(1.9%)	.076(7.6%)	.035(3.5%)	.042(4.2%)

8.2.3.4 Accountability of agency head: unrelated to autonomy

The accountability of the agency head to the parent ministry or other superior government authority is checked against various bases of accountability. The head may be accountable for the agency results and goals achieved, accountable based on the general functioning of the agency, in terms of financial accountability or legal and rule-based accountability. This ordinal variable was measured by calculating an

additive index of all its 5 categories for which we received responses against the scores (00=no not at all; 0.25= To a small extent; 0.5; 0.75= To some extent; 1: to a very great extent/fully). Correlation was determined between the aggregate variable of accountability of agency head and the dependent variables to measure the strength and direction of their relationships.

As given in table 7.25, the heads of the majority of agencies stated that they are held accountable for their results achieved, general functioning, legal and financial matters of their agencies. However, as shown in table 8.1 there exists no statistical correlation between agency heads accountability and most of the dimensions of HRM, financial or policy autonomy. This insignificant relationship may imply that the degree of discretion practiced by senior agency managers is not dependent on the nature of their accountability. However, the composite variable of agency heads accountability is found to be correlated with policy implementation, which may indicate that when agency managers implement policies independently, they can be subject to greater accountability for their results, general functioning of the organization, and for various legal and financial matters.

As shown in Table 8.1, the effect of agency size, (measured through the total number of FTE's) on control by the overseeing body is significantly correlated to the system of rewards and sanctions. Therefore the size of an agency makes a difference in how the government controls it through utilizing the system of giving extra incentives (rewards) in the form of wage increase, allocating more resources or increasing its discretionary powers or by imposing sanctions via decrease in wages, reducing autonomy and resources or by restructuring or shutting them down.

8.2.3.5 Agency head appointment

The process of appointment of the agency head is another indicator of control over the autonomous bodies. As shown in Table 8.34, which indicates the directional relationship between agency head appointment and the dependent scale variables, through the Eta values which is the measure of association between these variables. In this case Eta coefficient is used since it is a test for correlation between a nominal (agency heads appointment) and scale variables (agency autonomy). As indicated by all the ETA

statistics, there exists very minimal association between the process of agency heads appointment and its HRM autonomy and financial autonomy. Table 8.34 presents the results indicating the nature of relationship between appointment of the agency head and its autonomy, where approx. 5% of the variance in strategic HRM autonomy and financial autonomy can be accounted for the agency heads appointment method, while 6.3% of the variance in operational HRM autonomy is attributed to the selection method of the head of the agency, which indicates a medium effect of the agency heads appointment process on its operational autonomy

Table 8. 34 Directional Measure between agency head appointment and DVs. Spearman's Rho

Structural feature	ETA values				
	Strategic HRM autonomy	Operational HRM autonomy	Financial autonomy	Policy development autonomy	Policy implementation autonomy
agency head appointment	.046(4.6%)	.063(6.3%)	.051(5.1%)	.033(3.2%)	.021(2.1%)

8.2.4 Informal control: unrelated to autonomy

An informal contact between the agency and ministry officials also indicates the extent to which agencies are influenced by their parent ministries. It is measured by the frequency (no. of times they interact informally) of informal contact between the agency and parent ministry officials. As shown in Table 8.35, H8 is completely negated by the survey findings which show no association between informal contact and managerial autonomy.

Table 8.35 Bivariate Correlation between Informal Contact and DVs. Spearman's Rho

Relational feature	Strategic HRM autonomy	Operational HRM autonomy	Financial autonomy	Policy development autonomy	Policy implementation autonomy	Rewards	Sanctions	Reporting frequency
Informal Contact	-.099	-.046	-.034	.003	-.103	.073	.134	.051

8.3 Conclusion

In conclusion to the survey results which unveil the extent to which agency-level features may explain the variance in autonomy and control of Pakistani federal agencies, it is stated that the formal structure of agencies is not the sole indicator of all the dimensions of autonomy. And there is a lot of variation in the level of autonomy prevalent in agencies of the same legal status. Hence, owed to the heterogeneity of organizational features, its formal-legal status is not the ultimate measure of its autonomy. In the Pakistani context, the legal personality of agencies cannot always predict their discretionary powers, since perceived state of HRM and financial autonomy and its control may be in contrast to its formally granted legal autonomy. This finding does not support H1 which presumed that ‘Agencies that are legally independent have more managerial autonomy than agencies without legal autonomy’. The results of the survey supported H2 which proposed that agencies with governing boards have more managerial autonomy and are subject to less political control than those without it, since those agencies that had their own boards had greater discretion to formulate and implement various policies related to human resource and financial matters. The survey also provided partial evidence that agencies providing general public service and business industrial services generally have more HRM autonomy. Therefore, this finding does not completely support H3a. In case of H3b, there was no evidence of any relationship between the task agencies performed and result based control measures from the overseeing authority. Further-on the survey findings also did not support H4, which meant that the size of an agency is not a determinant of its discretionary authority to take HRM and policy decisions. The empirical results did not support H5 since agencies operating in any policy sector did not indicate any specific trend in HRM autonomy. To compare the level of autonomy between agencies with different budget sizes, it was found out that the level of HRM and policy autonomy remained the same for all the agencies no matter what budget size it had. This finding does not support H6, which presumed that agencies with large budgets would have less autonomy but higher control. These results implied that for any size of agency budget the level of policy implementation autonomy remained high and unchanged. Survey findings supported H7 since agencies that relied more on their self-generated income are more autonomous in every decision-making domain than those agencies that are funded primarily by the government.

Moreover, H8 is completely negated by the survey findings which show no association between informal contact and managerial autonomy. Lastly the findings did not support H9 as the survey results did not indicate that the age of agencies had any effect on their autonomy and control. Overall, it may be stated that the agency-level factors are not the primary indicators of its autonomy and control, since every agency operates in a social, cultural, political and legal environment. This implies that the actual state of agency autonomy and control may also be contingent upon factors lying in its external environment (Smullen, 2004).

PART D: QUALITATIVE DESCRIPTION AND EXPLANATION

9 Stakeholder Perceptions of Agency Autonomy

9.1 Introduction

This chapter narrates how the managerial autonomy and control of federal agencies is perceived by civil servants and other senior management officials of federal agencies and administrative heads of respective ministries. It is based on the findings of in-depth interviews of agency and ministry officials, primarily to add-on to the previous results of survey done in the initial two phases. The interviews help to develop an understanding of the patterns found in the previous chapters by exploring the perception of stakeholders. The following question guides the empirical analysis in this chapter:

RQ: How is the autonomy of the government agencies at the federal level perceived by agency stakeholders?

The chapter primarily focuses on analyzing the data collected through 39 semi-structured in-depth interviews, with continuous corroboration from the survey findings, findings of previous studies and the theoretical framework of this study. For the purpose of analysis and data verification organizing themes were drafted which are linked to the data collected earlier through a survey. The qualitative analysis followed an iterative, open process of coding which enabled the researcher to identify and code those factors which were not part of the theoretical framework but were disclosed in the empirical data, for instance, accountability and responsibility, contextualization of foreign models, corruption is the societal norm and conflicting *de jure* and *de facto*. These codes appear to be significantly related to the study variables. The final themes (codes) are listed in Appendix F.

The findings of the interviews are presented along the line of the various types of autonomy: section 9.2 will present the perceptions of the extent to which agencies are autonomous in taking decisions and implementing policies in day to day operational matters, which means in the area of operational human resource management. The next section (9.3) describes the level of autonomy agencies hold in taking

strategic decisions in the area of human resource management. Section 9.4 enunciates the level of autonomy as perceived by the respondents in financial matters. The next section (9.5) presents the belief that policy decisions are totally in the hands of the central government which is considered to primarily involved in policy formulation. However, as far as implementation of policies designed and drafted by the government is concerned, agencies do have a role in its implementation. The final section presents an overview of the findings and answers the research question that was formulated for this chapter.

9.2 Operational Human Resource Management Autonomy

Comments from the interviews about having the discretion to take day to day managerial decisions indicate that organizations generally do have the authority to take day to day operational level decisions, but mostly with the consent and approval of their governing boards. And interestingly, boards have majority representation from the government authorities. However, organizations negated determining individual salaries of employees independently.

This finding is not completely in line with the survey results as shown in table 8.5 of chapter 8, which indicated that no matter which task an agency performs other than business and industrial services; it has a low level of operational HRM autonomy. One possible reason for this discrepancy in the survey and qualitative results may be attributed to one of the items: determination of individual salary, measuring operational HRM autonomy. On the other hand, agencies performing business-oriented task take day to day HR decisions independently through their managing committees and board of directors. This similarity is reflected in both the survey and qualitative results. Another perceived opinion is that operational decisions are then again dependent upon the capability and personality of the head of the agency. Dominating and resilient heads have a greater degree of independence in day to day matters as compared to weaker ones who can succumb to the dictates and pressure of the central government authorities (R18). Another qualitative finding is that agency management and boards have the authority to take operational HRM decisions up to a certain management grade, whereas, induction, promotion, and dismissal of grade 20 and above officers (managing director, director general) are taken by the federal government.

Considering the context of Pakistan, various agency officials pointed out the role of the judiciary in the appointment of heads of agencies. This seemed to be an emerging statement by many ministry and agency officials. Another qualitatively shared opinion (R 18, 19) is that, for agency functions which do not require any funds, operational decisions can be taken independently without the ministry's approval. Perceptions about different dimensions of operational HRM autonomy are discussed under different sub-themes in the forthcoming subsections below: autonomous board (9.2.1), Promote and evaluate employees (9.2.2), Employee dismissal (9.2.3), Individual employee's salary (9.2.4).

9.2.1 Relationship with autonomous board

Agency officials stated that although heads of the autonomous bodies can take operational level decisions, ultimately, they have to be approved by their governing board. The head of an attached department believes that the broader policy framework is provided by the government, but the rest of the operational decisions are generated by its head. This means that the level of autonomy in taking day to day operational decisions depends upon the potential and capability of the person heading the department. The more he relies on and looks towards the ministry for the direction the more compromised will be his autonomy. This viewpoint is expressed in these words:

The rest of the policy statements are generated by the Post Office. Nobody tells it. It is as a matter in space. The more you access it and draw it i.e. the DG, the more autonomy he will obtain as per the policy is given. But if he starts asking everything i.e. if he's a weak DG, operationally weak then everything is dependent on both the ministries. But if he continues to draw power himself and he's confident enough that he's operationally strong the more autonomy he will draw. (R18)

To hire specific individuals, semi-autonomous agencies (R21, 22) shared that such operational decisions are usually taken within the organization. However, the route is through its HR committee, who assesses the need to recruit more staff staying within the budgetary limits. So, these decisions are mostly taken within the organization.

Although the director of the Centre can make this decision but ultimately, it has to be approved by the board of governors. Every promotion, every step, every individual, everything has to be approved or disapproved by the board of governors (R20).

Ministry officials (R31, 32, 33, 35, 36, 37) also endorse this viewpoint that operational level HRM decisions are usually taken within organizations by their management committees and governing boards, however sometimes final approval comes from the parent ministry.

My personal experience is that the human resource committees of the board take fairly independent decisions. Ministries don't get involved in petty issues So in HRM, they are fully independent. There is no interference from our side. (R31).

According to one of the ministry official:

Boards take up all the matters in their regular board meetings. They are autonomous. Ministries do not regulate them. There is however one thing, above every board of director's there is one member of the ministry who is either the additional secretary or secretary. He does not have the authority to reject any idea altogether or say I am the government and I have the authority, so this is not the case. He or she is one of the directors. So, the decision of the majority in the board is taken as the final decision. As such all organizations are independent in their matters, (R35).

9.2.2 Promote and evaluate employees

Promotions and evaluations are done on the basis of the annual confidential report (ACR's) or performance evaluation report (PER), which is a proper criterion given under the government rules, to assess employees. (R5, 9, 10, 22, 28 and 29). Usually, appointments and promotions up to a certain management level can be handled by the agency's head and the management committee and are mostly done in bulk according to the number of seats available and not at an individual basis (R5, 22). But beyond that recommendations are sent to the board which takes a relevant decision

The final appointment will be done by the board itself. Similarly, until management-level promotions are done by MD and above that board has the power of promotions. So, this is a hiring and promotion procedure. The same thing is followed for evaluation. Obviously, promotions have a proper criterion that ACRs are determined, the last five years' record is taken into consideration and then a committee is formed which put up its decision to chairman and MD to a certain level and promotions above that are recommended to the board by MD. Then accordingly decisions are made for who to promote and whom not to. Usually, in 3-4 years, we have this practice that we do the promotions of employees but it's not a firm rule. (R5).

Some agency managers stated that there is no decision taken at the individual level. Everything is done at the policy level since the promotion policy is formulated by the board and then the agency circulates it amongst the employees to create a transparent system. This implies that employees are evaluated and promoted according to the criteria framed by the board of directors (R 7). Senior managers of the attached departments also supported this viewpoint and said that promotions are done as per the seniority list, and can rarely be done for a specific individual (R 17, 18, 19). Another agency head validated this perspective of **“the government method of seniority cum fitness”** basis of promotion. He commented that:

Same government method of seniority and fitness. Similarly, there is performance evaluation which was previously called annual confidential reports and currently known as performance evaluation reports (PER). Once a year PER is written. We have the same procedures that are in every other government department. (R9)

9.2.3 Employee dismissal

Even to terminate an employee, the decision rests with the board and in certain cases with the agency head (R11). In not-for-profit autonomous bodies, dismissals and downsizing is an internal matter. As for the board’s discretion, this is clearly pronounced by a private law based autonomous agency official as:

It has recently happened that we fired someone, so I am pretty confident that the board of directors took the final decision. (R26).

A public limited company senior manager also expressed his views upon termination of employees, according to whom they have total autonomy to take a decision depending upon the non-performance or any other issue which could affect the company in a negative way. They follow their own clearly laid out service rules.

We have our “own service rules “for executives and subordinates. There is a CBA for subordinate staff with whom we have a biannual agreement in which everything is covered. And yes, if somebody is not performing or shows misconduct, then there are procedure and rules laid down. Action is initiated and accordingly based on the gravity of the misconduct; punishment is given. So, autonomy lies with the competent authorities within the companies. This is all laid down. The accused get full opportunity to defend him/her or present his/her point of view. If the gravity is such which requires the services to get terminated, then they are. (R24)

9.2.4 Individual employee's salary

As far as determination or increase or decrease in individual salaries is concerned, normally it's the annual increment that is given as per their performance appraisal every year. (R 21, 22). Ministry officials also stated that changing an individual employee's salary is rarely witnessed within autonomous agencies.

No one-employee decision cannot be taken as such. There are unions which challenge. Some one's salary cannot be increased like that (R33).

An overview of the qualitative response about operational level managerial decisions presents such perceptions which support the survey findings, since the analysis of both the survey and qualitative data indicate that agency officials and bureaucrats deputed in agencies do take managerial decisions independently of their parent ministry, but only after the approval of its board. However, a majority informed having limited discretion to determine salaries for individual employees and also to terminate them. However, autonomy in various HR matters also varied depending upon the legal type of agency. Private and public law-based companies and not-for-profit organizations had more discretion to promote, evaluate or terminate employees. Moreover, decision making autonomy also varied amongst different employee levels and grades.

9.3 Strategic Human Resource Management

A majority of respondents belonging to attached departments, semi-autonomous and autonomous bodies (R3,9, 11,13,14, 17,18,20,21, 28,29,30,33) reported to have limited discretion in various strategic human resource matters, like recruitment criteria, determination of the level of salary, promotion and evaluation criteria and to determine the total size of its employees. Moreover, they talked about having very comprehensively defined service rules which form the basis of all hiring and other HR policy decisions. A response from one of the federal study research center (R20), a semi-autonomous body, indicated that they had limited powers to frame their human resource management policies, like determining the level of

salaries of its staff and faculty, since they work according to the rules of the federal government. This was clearly indicated in the statement given by its senior professor:

So, we have autonomy but limited that the centers must have to recruit one representative from federal ministry in the selection board. Then their promotions, they are also under the rules of federal government. the centers' not have the independent or you can say heterogeneous formula for the promotions, almost all the centers' have almost similar setup for promotions and hiring and because this Federal government has very categorically established rules and statutes for these centers even the seniority rules have been established, that selection board and all these things, medical rules financial rules all the rules have been set by the federal government and centers follow those rules (R20).

Another similar viewpoint about strategic managerial decisions came from a senior civil service training institutes senior official (R 9), who categorically differentiated his institute (an autonomous body) from any private entity, declaring that they strictly followed federal government rules of pay scales, hiring, promotions, and firing procedures.

No. that is done by the government, the federal government. We cannot operate like the private sector that I can hire or fire anyone I want. It is not like that. It is just like any of other government departments. We have to advertise the post. Their salaries are determined according to their scales 11, 12 or 13 grade. They have that fixed pay and the other government allowances are applicable there. I have to follow the process. I initiate the process and the conduct interviews etc. just like every other government department (R9)

The head of an autonomous body also shared her experience (R13) regarding the level of strategic HRM autonomy prevailing within the institute. She believed that all the recruitment, salary determination, promotion, and firing policies and rules of the federal government are adopted and followed. However, both the agency respondents (R13, 14) indicated that the hiring procedure follows government rules since all rules are laid down in its status. However, being an autonomous body, its Senate, which is its executive body, has the authority to finalize people for posts. But then again, its executive body is comprised of majority members from its parent ministry (minister), regulator and other government authorities and elected dignitaries (President of Pakistan). This means that it's firing and hiring authority is its Senate; its executive body which consists of a majority of government members. This viewpoint is reflected in his (R14) words:

Grade 17 and above. Not below 17. For the gazette officers. Only through senate we can create or abolish the seats. Now our Senate is presided by the president of Pakistan. Our Chancellor is, being under the federal ministry, is president of Pakistan. Pro-chancellor is a minister of commerce. Then there are 22-24 members of Senate in which 4 are in house and rest are outsiders from the ministry of commerce, HEC.

That structure is given in our act. Through that, you can know about their functions too. So, this is our hiring procedure. (R14)

Our salary structure is grade wise and we follow government structures. Everything that the federal government follows, whatever the stages are. We follow the same. BPS employees are working on the BPS system according to federal government pay scales. for BPS 17 and above hiring authority is senate. the HR selection committee have the authority for 16 and below. Those on contract have fixed salaries. They only have 10% increment after one year. 10% or 20% depending upon the recommendations from their HODs.

Specific perceptions about different dimensions of strategic HRM autonomy are discussed under different sub-themes in the forthcoming subsections below: recruitment procedure (9.3.1), Termination rules (9.3.2), Salary determination (9.3.3) and Determine staff size (9.3.4).

9.3.1 Recruitment procedure

The head of an autonomous body also communicated that the recruitment process is defined in its bylaws which were written in 1951. The hiring criteria given in it is followed till today. Apart from this another hiring issue commonly experienced by most of the agencies is of the third-party testing criteria, which is a condition of the federal government as a part of its recruitment policy. Under this criterion, agencies are required to hire an independent private organization in order to test, select and shortlist candidates, who later on will be deputed within organizations hiring people. Many agency and ministry officials (R21, 22, 31, 32, 33, 37) objected to this method of selection, since it was based on general assessment, and did not meet the needs of agencies demanding specialized professional. Moreover, many times such a testing system created problems of hiring on technical posts. Further on, posts remained vacant because of the lengthy hiring process. Based on the qualitative findings it can be inferred that for most of the government organizations testing agencies are hired, although a majority does not consider this hiring criterion to be inappropriate especially for professional employment. This viewpoint is endorsed by multiple agency personnel, one of whom stated in these words:

Since we are a specialized organization and the skill set of the resources that we require are not really available in the market so we need to have the ability to test basic criteria on which we measure them or

rather the skills that they have in order to hire them. so that is the basic issue that we are facing at the moment regarding recruitment(R22).

Yes, that's true. A lot of my companies also refuse to be tested by independent testing services for appointments to highly technical posts like CFO, etc. Yes, this is an issue. It's true. You need to get an exemption from the establishment division for not being tested through a general testing agency for technical posts. Sometimes this testing system complicates the situation, and posts stay vacant because of this lengthy process (R31).

On the other perspective, a few ministry officers also highlighted the positive side of the testing agency conditionality by the government. They commented that since there's always a chance to receive requests from influential politicians to place their favorites in public organizations, this independent system of testing provides them a reason to avoid such a sifarish culture (patronage).

They are political people, so they receive too many (sifarish) requests every day for hiring. So, they went for the solution that there should be third party test, so everyone has to pass the test to get through. This is good from one perspective that screening takes place. One good aspect of this system is there that it ended the sifarish commendation culture to some extent. Even if anyone asks us, we say that NTS has to be cleared in order to get a job (R33).

Ministry representatives also shared the fact that for the private company hiring they suggested them to define their mechanism or criteria to hire, which later on was presented through the ministry to the establishment division for approval. For some cases, they got successful in taking relaxation from the establishment and adopted their own hiring process suitable for the kind of job for which hiring was being done (R37).

9.3.2 Termination rules

The process of terminating employees is clearly spelled out; this viewpoint is shared by agency managers (R 21, 22). According to them, it is a multi-tiered process which involves various authorities consent and approval which are internal to the organization. However, the accused has the right to appeal which again is heard by not just by the head of the organization but by the ministerial representatives and its board members address the issue as well.

The organization has its rules and regulations so there is an entire process that is spelled out for termination or hiring of an employee. So that procedure has to be followed. it is a multi-tiered sort of

process. You can't just fire somebody just like that. There is an entire process. You have to show cause. it is managed within the organization. If he is terminated so the CEO is the level here then it goes to secretary industries and to the board as well. That is, of course, available within the regulations. (R 21)

9.3.3 Salary determination

The head of an attached department(R 18) also gave a similar statement regarding the determination of salary by saying very boldly that: We have no role in salaries at all (R18).

He also expressed that since the rules of its governing board are still in process, there exist no clear rules to make strategic managerial decisions. But at the same time, he was hoping to become autonomous in such strategic matters once the rules are completely formulated and followed. He stated that:

Unfortunately, the board's rules are not made fully for strategic decisions. It's still in process, they have hired a corporate lawyer as a consultant, and once they are made it will give enough autonomy (R18).

According to an attached departments officials (R17,18,19) promotion criteria was similar to what the government followed, i.e. ACR, the annual confidential report was the sole document which forms the basis of promotion. Seniority is another dimension. Therefore, promotion policy is based on seniority and fitness in these attached departments that stringently adopt government's promotion policy. Surprisingly, a private law based autonomous company (R 3) also follows the government's promotion policy of seniority cum fitness.

One of the attached departments heads (R1) informed that autonomy in strategic HRM matters was totally out of their domain. Being an attached department of the ministry, they had to take approvals from their ministry for any strategic matter. He stated that:

Like I said that we can take operational decisions but not strategic ones. Again, we need to consult ministry for any strategic decision. Attached departments cannot do that. We have here a normal government procedure. We cannot create any post here and cannot abolish any post and cannot increase or decrease the salary of any post. Increase or decrease in salary is according to the prescribed rules by the government (R1)

In contrast to the autonomous and attached departments, in private law based agencies(R 5,6), hiring up to a certain level is perceived to be an internal process of human resource management, predominantly conducted by the managing director, the head of the company himself. An HR committee of its board of

directors' is responsible for such recruitment matters. None of the government bodies like public service commission is involved. Similarly, its board is empowered to determine the salary structure. The government's increments are not applicable here.

An interesting and unique finding of strategic human resource autonomy is acquired after speaking to the board members of a not-for-profit making agency; Pakistan Girls Guide Association, created through a social welfare ordinance. It runs quite autonomously and with minimal government involvement. When questioned about the determination of the level of salary and recruitment process regarding its strategic decision-making authority, a majority of its board members reacted very positively and one of them on the behalf of the others stated that:

Yes, we do that on our own. Our treasurer does this. With the discussion and advice of all executive members, it is decided on the basis of performance and dedication. There is a selection committee. Hiring is done through an interview by us internally.

This implies that non-profit making agencies created under a law or ordinances may have substantial managerial autonomy.

The promotion and evaluation criteria up till now we are following different criteria which we have devised internally, and which have been approved by the board. SMEDA board of directors is empowered to set the emoluments, the salaries, the benefits of the employees of the authority. So that rest with the board.

Our ordinance specifies that the SMEDA board of directors is empowered to set the emoluments, the salaries, the benefits of the employees of the authority. So that rests with the board. It is according to our ordinance and set by the board of directors, the level and the salary, emoluments, everything.

So, we do have autonomy to a certain extent that we have our own levels we are not in the BPS scales or things like that. We have our own scales which have been approved by the board. About the level of salaries what we normally practice is that we have a salary survey from the market, from both the public and the private sector of the organizations which are more or less in the same thing that we do. Then we put the salary comparison in front of the board and there the board decides the range of it. (R22)

The above statements were given by the directors of an autonomous body (R 21, 22) created through an ordinance. It is very evident from their comments that their governing board is authorized to take decisions regarding strategic human resource policy issues with the exception of authority to recruit. As iterated by its directors, the authority's ordinance spells out the authority granted to its board to take various human resource related policy decisions. Moreover, it has its own criteria for promotion and employee

evaluation, which is done annually. Promotion criteria are stipulated in their regulations developed internally by the organization and approved by its board. Once finalized, the regulations are notified by the government. Performance is measured against KPI's of each employee on an annual basis.

Another autonomous body's in charge (P11) claimed that the agencies director was authorized to promote employees on the basis of seniority or exceptional promotion. A standing committee of its board reviews promotions done by the director.

Moreover, the directors (P21, 22) also narrated how they have to go through a hierarchy of approvals from different federal government authorities for the purpose of hiring personnel. They informed that they are required to follow the federal governments prescribe procedure of hiring and are not capable to hire directly on their own, without prior ministerial and other government authorities' approvals.

Despite our own internal HR levels and structures and you know job descriptions at the organizational level, we have to go through the ministry of industries, the establishment division, let say for hiring or recruitment or HR within the organization(P21)

Now for the past two years, we have been following the recruitment and selective regulations which the government follows normally. So, as we are not in a position now to recruit people directly as per our own recruitment process, there is an assessment center that we have. (P22).

However, the perception about strategic management human resource policy decisions of some private law-based corporations and companies as well as public limited companies was contrary to that shared by a majority of semi-autonomous, autonomous or attached departments' officials (R 24,25, 26, 27,). The senior manager of a private law-based corporation also informed that its board of directors was empowered to decide the level of salary as well as increments and other hiring and firing procedures. This is reflected in his comments about its corporation and the domain of its operations and authority:

Trading Corporation of Pakistan is a public trading house which is working under the administrative control of the ministry of commerce. it is basically a private company which is wholly owned by the government. It has its own memorandum it has its own chartered associations. And it has own chairman who is basically the chief executive and there is a board of directors. The board of directors basically has the representation from the government side which is nominated by the ministry of commerce and it has representation from the private sector as well. So it works that the main decision body is the board of directors and the command of chairman. These are decided that what salary, what increment and hiring and firing. Board of directors is empowered in that. They are autonomous in that scenario. So, it's sort of autonomous organization. It has the memorandum and works under its ambit.

Another company responded to the question about having the discretion to take decisions in strategic policy matters, saying that hiring is an internal procedure and based on merit. There is no involvement of any government authority for approvals, although hiring is done through private testing company hired by the agency itself. Furthermore, the authority to hire grade 1-17 personnel lies with its managing director, whereas senior level posts of general managers, senior general managers are under the board of directors. This public limited company (R24, 25) shared that in the case on non- performance or misconduct, autonomy to fire rests with the competent authorities within the company who took decisions as per its own laid down service rules of termination. In his precise words:

There is total autonomy in this. We have our own service rules for executives and subordinates. There is a CBA for subordinate staff with whom we have a biannual agreement in which everything is covered. And yes, if somebody is not performing or has misconduct, then there are procedure and rules laid down. Action is initiated and accordingly based on the gravity of the misconduct; punishment is given. So, autonomy lies with the competent authorities within the companies. This is all laid down. (R24)

When questioned about the extent to which they are capable of making decisions in human resource matters, for instance in case of salary determination the manager at a corporation confirmed his viewpoint stating that its board of directors is empowered to take such decisions. To determine a salary structure comparable with that of the private sectors organizations, they hire private consultants, who conduct a survey, whose report is submitted to the board of directors for final approval. This process takes place every three to four years. His words below endorse this perception:

As I told you earlier that it is an autonomous organization which works as per their own understanding. There is no interference from ministry with regard to human resource, they take their own decisions. The board of director has delegated some powers to another committee called ECC and it takes decisions with regard to human resource. So major decisions about increments in salary etc. are being taken and considered by the board of directors.

A similar perception was shared by the head of an educational institution (R27). The administrative head of the university also conveyed having complete human resource management autonomy.

Now for the issue of salaries. There are various aspects in that. First, VU has its own scales of salaries. They are not BPS, not TTS. They are scales developed by the university itself and approved by the board of governors, so they are part of our statutes. All the decisions are made by the board as in the previous meeting they approve of a 15% increase in salaries across the board.

Surprisingly, the HR director of private law-based company (R3) pronounced to have autonomy in most of the human resource policy matters but dejectedly reported not to have recruitment autonomy. According to her, the process of hiring is stringently carried out under prescribed rules of the government, as per which the parent ministry and establishment division are the final approving bodies. Finally, the process of hiring is outsourced to a third-party private entity that conducts preliminary testing and other induction processes for the sake of transparent and merit-based recruitment. This indicates that the process of hiring is not an independent process; rather multiple government authorities are involved in it. This is vividly evident from her statements:

If you talk about these things then except recruitment, we are autonomous in all other matters. you have to take NOCs for recruitment from ministry, establishment division. You cannot place any advertisement directly in the newspaper. E.g. I have a shortage in my company as I told you that we are short of 6000 employees so I cannot handle this directly. The procedure is that we take permission from the ministry and show them our advertisement. So, in the recruitment process, we are not independent in taking decisions directly. (R3).

I cannot advertise in newspaper directly I have to send that advertisement to ministry, get their NOC from the establishment division and then my draft is approved. Then I advertise. there are further rules again that we have to appoint a third-party testing(R3).

9.3.4 Determine staff size

As far as determination of the total number of employees to hire is concerned most of the semi-autonomous, private/public limited companies and autonomous agencies(R3,4, 11, 13, 14, 20, 21, 22, 24,25, 27) claimed that their board of governors was competent to do so. The board had representation from the federal government, who nominated two of its members. It was not mandatory for the agency to take approval from the ministry since the board had the authority to make decisions regarding the staff strength and any downsizing decisions. It also claimed to create or abolish any posts, whereby this exercise was done by the academic council of an autonomous body (R13) and presented to its supreme statutory body, the Senate for final approval. Another autonomous body's in charge said that its senior management determines the number of faculty members they need, which is then approved by its board on the basis of the rationale provided by its senior management. These words explain their stance over this issue:

Size of staff, downsizing everything you can say it has some kind of autonomy in the sense that board is totally powerful. It can make decisions. (R20)

Another private law-based company endorsed the claim of other agency personnel about governing boards having the authority to add more to their existing human resource without getting it approved from the ministry. In her words:

So, we have that flexibility by going to BOD and submitting a comprehensive working paper where all strengths and weaknesses are calculated. And the financial cost-benefit analysis is presented to them and told that due to the increased number of consumers how our customer service is delayed and disturbed and how the business is hampered. (R3)

The response from a public limited company deliberated that its management hired a consultant to assess the manpower requirements of each department for temporary, regular and project-based manpower, which is submitted to the board of directors after being reviewed by its senior management for consideration and final approval. This means that the employee strength is determined in this manner, based on the recommendations and suggestions of its consultant and management.

The head of another autonomous body working as a not for profit organization also narrated how and who actually decides the staff and faculty strength. According to him, the strength of its staff is no doubt determined by the university management itself but is formally approved by its board of governors, which has its parent ministries secretary as a member of the board. His perception is reflected in his statement below:

Staff strength is actually reflected in the budget of the university. But the strength is formally approved by the board of governors. no finance division, no higher education department, nobody else. No ministry of IT. Ministry of Information and Technology does not dictate us to increase or decrease the people. There is no suggestion from there. The secretary happens to be in this interesting position that he has one eye on the government and one eye on the university but given the responsibility here, it is a body that makes its own decisions. (R27)

Since most of the agencies had majority members from the federal government like the parent ministry, finance ministry, and regulators, it is an evident fact that decisions made in governing boards are a representation of the government's desires. However, private and public limited companies and corporations

do have the authority to add their own flavor of managerial policy, under the ambit of the federal government.

Regarding the degree of strategic human resource management autonomy in federal agencies of Pakistan, it can be concluded that public agencies mostly adopt rules and regulations framed by the federal government for various human resource related policy decisions, particularly in the process of recruitment until the middle management level. For appointments at the senior most level, either of managing directors, executive directors or director generals, they are selected and hand-picked by the political elites (parent ministries minister or prime minister). However, in most of the public and private law based companies, the boards of directors are empowered to hire up to a certain level of management but the head of these companies are selected by political elites as mentioned earlier. In attached departments and autonomous and semi-autonomous agencies, considering the process of recruitment, the qualitative results are contrary to the findings of the survey which as shown in table 7.15 of chapter 7 are perceived to have a high level of strategic HRM autonomy. This meant that a majority of public organizations in Pakistan do have the authority to make policy decisions related to personnel management without prior consent from ministers /ministries. However, respondents from both categories accepted the fact the no doubt governing boards of autonomous, semi-autonomous and public and private companies do take such decisions but a majority of its members are from the government. The only exception is the not-for- profit-making agencies since they very strongly claim to be autonomous in every aspect of human resource policy decision.

9.4 Financial Autonomy

For financial autonomy matters, the qualitative findings are exactly in line with the survey results, which very clearly indicate lack of financial autonomy in the overall financial matters. The finance ministry is the key player, who gives the final approval for all financial matters. (R 9,18, 19,21,22). Usually, line ministries do solve petty financial matters of organizations but in case of major decisions like allocation of funds under different heads, shifting of budget heads and re-appropriation, the finance ministry has the final authority. Agency officials stated that such multi-tier approvals consume a lot of time which causes a delay

in the execution of tasks. As per the viewpoint of other ministries official, ministries act as regulators, and place their secretaries on the boards of the organizations functioning under them in the capacity of chief accounting or chief financial officers, merely to keep financial control over them(R37). Moreover, boards of semi-autonomous agencies have authority to approve budgets, but ultimately their funding authority or federal ministry is bound to approve their financial activities. In case of already sanctioned budgetary amount no approvals from ministry is required, but for extra funding they have to revert back to their ministry. A ministry's respondent was of the opinion that the level of financial autonomy depends upon the source of revenue. Organizations that are fully funded by the federal government are prone to have limited financial decision-making power and will often be questioned by the government upon various financial matters. Whereas, those that mostly rely on their self-generated revenue have greater financial autonomy (R35).

Again the board has to decide. And again it will also depend on the revenue regime of the body. If they are self-generating, then they have full financial autonomy but if they are taking from the government then questions will be raised. (R35).

We can solve the petty financial matters inside the ministry but when there are hurdles and we want to minimize the tiers. If commiserates comes to the ministry for approval for everything then deadlocks are there. Sometimes they need things to be done on time and at once. They need the money to mobilize etc. of course when they come to us and we go to finance, it is a time taking a long process. So through proper delegation, they have some autonomy in such matters. But the matters like how much money under which head or shifting between heads, re-appropriation, etc. cannot be done without finance. (R 38).

This perception of limited financial autonomy is highlighted in the comments shared by every ministerial representative as well as agency personnel interviewed.

The biggest problem we face is of financial autonomy. As per the Corporate Governance Rules, the board of directors is independent. Finance ministry has different circulars, that any expenditure approved by the board of directors, which does not have any effect on the federal exchequer, it's my company, it's earning itself, spending by itself, board of directors is doing itself, let it do unless it is not a factor it's allowed, but what happens is if the board of directors does some expenditure, the auditors will come and say no, and ask that why did you not ask the federal government, the finance division. (R31).

Pakistan Agricultural Research Council. they have a board of governors who make the decisions, but the financials are first approved by their board and then it's forwarded to us. If we see something out of the line, then we do cut it down and the minister of finance approves it as per rules and the money they have. Whatever comes to us, we suggest changes (R33)

Like if you talk about financial matters, we cannot do anything without the finance ministry. Even the delegation of power is given through the approval of the finance ministry (R38).

Attached departments officials (R1, 2,) also expressed their views about having limited financial autonomy. Speaking of entering into a contract and joint ventures, they commented that joint ventures or any contracts cannot be done without the final approval of their parent ministry.

This kind of autonomy does not exist here. But attached departments and subordinate offices need to go to the ministry. Either for joint ventures or individual contract (R1).

However, for each dimension of financial autonomy, stakeholders' perceptions are discussed individually below: tariff determination (9.4.1), Acquiring loan (9.4.2), Joint ventures/contracts (9.4.3) and Budget shifting autonomy (9.4.4).

9.4.1 Tariff determination

Most of the agency and ministry officials said that they did not have the autonomy to set tariffs or fee for their services or to enter into private contracts independently. A commonly provided reason for lack of financial autonomy even within private companies was that the government cannot give total financial autonomy since a lot of money is involved in running them. And these companies may become breeding grounds for corruption and embezzlement, rather than to deliver effectively and efficiently.

If some wrong person becomes a part of the board than afterwards, we have to bear the consequences, some of my officers have been jailed for no fault of their own. Someone else is doing it and others have to bear the consequences, total independence of the private sector and to take members from their cause's financial misappropriation whose burden the government has to face (R31).

In another comment by a ministry's joint secretary, it is evident that although constitutionally regulatory agencies should be autonomous in determining tariffs, but apparently any change in rates of tariff or fee, it has to be approved by the relevant ministry. And mostly tariffs are set by the federal government and regulatory bodies cannot do it. One of the reasons for not providing complete autonomy to regulatory bodies is to make sure that they do not set such tariffs which can cause public dissent (R 35), This clearly indicates political control over autonomous agencies. In the words of the ministry's representative:

Let me give you an example. If you go to petroleum ministry, you see there is OGRA or PSO, etc. Constitutionally, regulatory bodies should run autonomously. But even there, any change in rates or tariff determination is done there and then that has to be approved by the ministry. But like you asked that, is there proper autonomy given to any organization? None of the organizations here have that kind of autonomy.

Not-for-profit organizations set their membership fee internally as determined by their executive committee.

We also set our membership fee, which our executive committee decides. We use this amount for projects. At times we generate through fund generation decided internally.

Viewpoints upon tariff determination varied across types of agencies, since mostly third sector entities (Type 3) perceived to have more discretion at the time of tariff setting than the other agency types. This corresponds with the findings of the survey as indicated in Table 7.16.

9.4.2 Acquiring loans

Autonomous, semi -autonomous and ministry representatives believed that normally agencies could take loans from banks, both local and foreign, but usually after getting a proposal approved by their board, which is then forwarded to the line ministry for review and legal consent and from there it reaches the finance division for final approval. While, some autonomous agencies also think that the government and regulators do not allow such financial arrangements. (R27)

Private law-based companies (R5, 6, 26,) follow the underlying rules of their regulator; Security Exchange Commission of Pakistan (SECP) in such matters. These companies have investment committees formed by their board of directors who take all investment decisions as per the directives of their board and regulator. This means that regulatory bodies oversee organizations working under their ambit to keep check and balance. However, one of the joint secretaries of a ministry declared that companies working under them have the authority to enter into negotiations on their own in order to take loans from local banks, with minimal involvement of its ministry (R33).

Attached departments head also stated that they had to go through the ministry to acquire loans.

9.4.3 Joint ventures/contracts

Financial autonomy in terms of entering into contract, joint ventures and agreements with private legal actors is also perceived to be compromised. Although this item was not taken up (not analysed) in the survey, but it came up during the interview sessions when a majority of agency and ministry officials mentioned entering into contracts and Joint Ventures with other organizations but perceived that the federal government approves foreign collaborations and MOU's and organizations could not enter into contracts and agreements without taking the government/ministry into loop. The ministry officials pronounced that for foreign partnerships or contracts, it is clearly outlined in their rules that permission is required from ministry and government authority, like cabinet division.

These perceptions are clearly reflected in the words of ministry officials:

As far as joint ventures or agreement or national or international negotiations are concerned; no company can do that on their own. They have to come to the government with the proposal and drafted agreement. We do vetting from law division and then it is circulated to concerned departments. If any financial intervention is involved then finance division and cabinet division, foreign affairs divisions or any other that is concerned is taken on board. After their comments, if there is no objection then it is implemented. From signing up to implementation, everything is done through this channel(R 37).

We generally like to keep the ministry in the loop because then the government of Pakistan has its own rules of business and at times it becomes a problem if we directly sort of interact with them but let's say if we are negotiating with an organization or donor. world bank for instance, we are doing a project with them, generally what happens is, actually generally how the donor's operators is also that they sign a parent agreement with Economic Affairs Division so after that's done then the implementing partners join in. so we have the Memorandum of understanding signed or a legal agreement signed with the donor as to what are the roles and responsibilities of the organization or implementing partners. (R21)

If they enter into agreement with some NGO, then it's allowed to work status or security clearance is done by us. They cannot do any contract without taking SAFFRON or security agencies on board. We have check on them (R38).

If it is with foreign companies or foreign governments, it has a formal procedure of signing MOUs approved from the cabinet. Cabinet gives all the directions. It has set rules for that. (R33)

For setting up of campuses or Study Centre outside Pakistan, the approval of the federal government shall be required. There is a new regulation that if an MOU is to be signed between any Pakistani university and an overseas university then HEC must be informed. If a campus is to be opened formally, then seeking government permission is necessary (R27).

An autonomous institute's agency head also endorsed the viewpoint about its executive body and other government authorities like cabinet division to be the final approving body in case of signing agreements and foreign partnerships with private legal international organizations.

In case of foreign collaborations, like our students had gone to FIT New York, the ministry of commerce has commercial counselors all over the world, they represent the ministry of commerce and Government of Pakistan, and we also take them on board. They do with the institution, whatever the understanding is it first goes from the academic council to the syndicate from the syndicate to the Senate, and after the senate's approval. Once, there came a notification to take cabinets approval also. So, in this way, everybody is on board. All MOUs are approved by our Senate (R18).

Another autonomous body negated the concept of joint venture or partnerships, stating that:

Yes, under innovative financing means, it is possible; however, there is no concept of joint venture or partnership.

Coming down to financial autonomy of not-for-profit entities, they commented that they get MOU's signed with private organizations for community-based activities and do not need any approval from the government. These agency types are fairly autonomous in financial matters and rely on their executive boards for such decisions. The government is not involved. No one is involved. It sees the projects and then they give us funding accordingly. The agency reports back to them about the money spent and activities.

We get MOU's signed with private organizations for activities and we don't need any approval. We don't need loans, have funding.

No, we take the decision on our own, project in charge takes the decision. We have strong collaboration with UNICEF and UNESCO. We have done a lot of projects and when they see that the project was successful, so they give in more projects. If there is any other organization so they say that you can do with us too (R15)

9.4.4 Budget shifting

The process of re-appropriation allows for budget shifting in some heads of expenditure and not in every head. For a government organization, being a federal institution, one has to function and do re-appropriation as per the system allowed by the government. This process takes a few months before it is approved by the government authorities. But for this to happen, approval from ministry or the funding

ministry is a norm (R1, 2, 13, 14, 17, 18, 19, 20, 28, 29, 37, 38, and 39). Therefore, it is done as per government rules, which allows for appropriation in some heads and not all.

The provision is there. We have to be in that provision. For instance, for the development of this office, we have put fifty thousand for something to be done. If it is not required, we can use that fifty thousand in something else, but being in the same vicinity. That same fifty thousand cannot be used in Karachi or Islamabad or Quetta. We can change the heads. (R11)

We just have to give what we call an audit note. We have to justify why we have shifted this amount. We submit the audit note before the executive director PIM. He approves that and it goes to accounts department and the audit, the accountant or accounts manager forwards it to the auditor (R11).

We can only use the money/funds allocated for a specific purpose. We can't use it for other projects, even if it gets wasted. Even for our own overheads government fixes the amounts, for instance, 2.5%, etc. The budget of two years cannot be interchanged R11).

In certain cases, such as private law-based companies it is done by the governing board of directors.

Yes, obviously the board takes decisions. The board is empowered in budget making and then it is allocated to different heads. Then the shifting can also be done because this is within the organization, of course, that if somewhere money is needed the money can be shifted. There is no such problem in that. (R5)

A similar scenario prevails within not-for-profit-making agencies; they also stated that budget shifting is only done after approval for reconciliation and for reconciliation in major heads they contact the ministry.

In conclusion to the empirical results about financial autonomy, it can be explicitly deduced that agencies are dependent upon the federal government for financial decisions and final approval for every financial matter rests with the central government authorities. However, in case of private law based agencies, there exists some more degree of financial autonomy.

9.5 Policy Autonomy

According to the findings of the survey, this perception about policy development autonomy is the only dimension with which legal status of agencies is related to. This implies that agencies that are legally independent of their parent ministries, having a separate legal identity of their own, are perceived to be involved in policy formulation activities. This finding is contradictory to the NPM philosophy which states

that disaggregated organizations are meant majorly for implementation of policies coined by the political entities. However, the qualitative findings do confirm the NPM philosophy of policy implementation divide, since there is no contradictory perception about policy framing amongst agency employees and ministry officials. Both response categories believe that policies are formulated by the federal government and its regulator in some cases, while implementation lies with the agencies functioning under them. Even to implement policies, some agencies reported having ministries involvement in implementation as well. However, some organizations and their governing boards do provide policy advice and their input to the government authorities (ministries, regulatory organizations, establishment division, and cabinet division) involved in drafting broader policies and rules of business. Agencies have to work according to SOP's developed by the government and have to be adhered to. Agencies have to follow the policies and practices of their funding organizations such as the Higher Education Commission or their regulatory body; Security Exchange Commission of Pakistan (SECP). Sometimes, agency personnel feel the constraint due to intrusion from their regulator. They expect to perform better if their regulator doesn't intervene in every aspect.

The response from a public limited company personnel indicated that even when the governing board provides policy directives and makes policies, it indirectly represents the mandate of the government, which has majority members in their board of governors. A ministry's joint secretary stated that it depends on the primary task of the company. Those who are working as regulators, they have policies from the government, whereas, those who work as facilitators, they can make their policies for their projects in their own boards. However, the overall mandate is given by the government. They provide the broader framework while companies under that broader picture devise their policies of implementation. Therefore, the policy parameters are given by the government.

The same applies to not-for-profit making agencies since they also claimed to be just the implementing agency. (R16)

The point is that SNGPL is a public limited company. There is a board of directors which makes policies. From the government, there are shareholders from the private sector and the public sector. Majority shareholding, direct or indirect is by the government of Pakistan. (R 24)

We could perform better if our regulator doesn't intervene in every aspect. (R27).

So, we are basically in the area of giving the government our advice on the policy that has to be formulated. (R21).

These research centers were created. They were created to help out the government by providing policy advice (R20).

We are empowered to make policies within the framework given to us. It actually is a mix, sometimes in case of certain matters policies are given to us by the government, but sometimes we take 100% policy decisions (R28)

Obviously, we give a lot of input in this. We are in discussion; we are there when rules are changed or made or revised. We made the drafts of the revisions in the rules but that of course then goes through the procedure of government, establishment¹² division and ministry of Law (R9).

The government tells us that these commodities we have to import or export e.g. you have to purchase cotton or export urea etc. all are told by government ECC (Economic cooperation council). ECC tells us because it's a public trading house basically so we sell and buy on that basis (R26)

As far as autonomy in policy is concerned the broad-based policy comes from the government (R18).

We can formulate policy after the approval from ministry and then the implementation is done. (R7)

Policy making is absolutely outside the view of this office. We are not involved in policy making (R1)

I have two show causes recently because I was asked in which capacity, I made that policy independently. So, we are such a company where we don't have targets individually (R3)

Ministry representatives also commented on policy formulation process and stated that no doubt organizations do provide their policy proposals, specifically the technical agencies, these policy ideas are discussed in committees and finally approved and authenticated by the establishment division, and the cabinet. Therefore, the policy is always framed by the Government/ Cabinet. The organizations do provide input in policy formulation; however, the policy remains with the Government/Cabinet and agencies cannot frame policies. This is validated through the remarks of many respondents:

So ultimately it's the politicians who will form it, I will definitely give my input, a ministry will definitely make a document and take it there but finally it's the politicians who will clear it, it will be discussed in the committees, then it will be approved. It has to go to the cabinet. They discuss it thoroughly, and it's the politicians who do it finally. It's actually logical since when a government comes after being elected with its mandate now, they have to implement their program. Finally, they approve it. It's a very difficult issue madam(R 31)

¹² The Establishment Division is the human resource arm of the Government of Pakistan. It deals with all matters related to the country's civil service and is regarded as one of the most sensitive and important divisions of the federal government.

Vision should be taken from political leadership. Bureaucracy won't give you vision. This mistake should not be made that a secretary can give you a vision. We are not trained for that. We have entirely different training. We are the executor, implementer. (R35).

The qualitative data of policy formulation autonomy present a contrasting picture since it suggests that policy development lies within the realm of the politicians sitting in ministries, cabinet, and other federal government departments, while bureaucrats employed in agencies implement them. However, agency officials and their board of governors do initiate policy proposals and provide their input and advice on policy matters. This finding endorses the claims of some previously carried out empirical studies; Elder and Page (1998, 2000) stated that sometimes federal agencies may be involved in the initiation of policy proposals, whereby mostly they provide consultation on such proposals to the ministries. However, these agencies are also involved in policy formulation usually by offering policy advice to the federal ministries. Secondly, Bach (2010) in his study associated law drafting activities with the ministerial departments.

9.6 Conclusion

The qualitative research into stakeholder perceptions of agency autonomy provides a host of insights that help to understand the outcomes of the quantitative research. The findings of our research into stakeholder perceptions of agency autonomy highlight that being an independent organization at an arm's length from federal ministries does not qualify each legal type of Pakistani agency to have complete autonomy in administrative, financial and policy decisions.

Operationally in the day to day matters of human resource management, a majority of agencies appear to be quite independent (see 9.2). This situation prevails more dominantly within public or private law-based companies which are owned by the government but have their own board of directors with both private sector and government representation. Not-for-profit making entities experienced to be more autonomous in some strategic matters but perceived to have a great degree of independence in their daily routine matters. For them, political interference was a rarely experienced notion.

A majority of agency personnel are not satisfied with the process of recruitment, postings, and transfers, perceiving it to be an autonomously compromised area (see 9.3). In this way, organizations are not able to induct relevant human resource which would fulfill their requirements. The need to please and oblige voters after assuming office is a prime cause of political patronage according to the stakeholders. This culture of politicized appointments shows a strong inclination towards regional and ethnic-based recruitments within agencies under the elected political agents. This finding endorses the bureau-shaping theory of Dunleavy (1991) which states that agencies actually serve as forums through which bureaucracy, ruling government, and political agents can accomplish their mandates. Consequently, such political appointees, later on, affect the performance of agencies by just being there to serve their own or their leaders' self-interests. Stakeholders perceive that such practices encourage the culture of corruption and embezzlement which further on triggers the process of accountability by the supreme judicial body as well as the accountability bureau of Pakistan. Recently, NAB has become a prominent player in this regard and officers are reluctant to take any decision to avoid NAB inquiries in the future.

However, a few ministry officers also highlighted the positive side of the testing agency conditionality by the government. They commented that since there's always a chance to receive requests from influential politicians to place their favorites in public organizations, this independent system of testing provides them with a reason to avoid such a *sifarish*¹³ culture (patronage).

The source of funds is a major determinant of the level of autonomy according to the stakeholders: the more an agency relies on and receives funds from the government the more it is influenced and dictated by them (see 9.4). The interviews highlight that those agencies that predominantly generate their own funds mostly exercise financial autonomy to a large extent. Federal agencies lack financial autonomy since they need to get approvals from the government who is the primary funding body. Another research finding is that those public organizations which rely less on government funding are susceptible to limited pressures from them. This verdict coincides with the academic literature (Gains, 1999; Greer, 1994; Pollitt, 2005;

¹³ The term '*sifarish*' in the language Urdu refers to the use of political or personal influence for appointments in organizations or a system of political patronage and partisanship.

Verhoest et al., 2004, 2010) which narrates that the perceived level of managerial autonomy also depends upon the revenue source. This finding also supports H7 which claims that agencies that have a greater proportion of self-generated income will have more autonomy than agencies with a small proportion of self-generated income.

As far as framing policy frameworks are concerned, it is perceived by stakeholders to lie within the domain of the government (see 9.5). Whereby, in some cases, the government does take ideas and consults the relevant organizations, which provide their input, mostly in technical matters. The stakeholders perceive that strategic decisions are taken in the light of rules and regulations drafted by the government authorities, such as the ministry or federal cabinet, which these agencies usually adopt since they don't want to be held solely responsible for their decisions. Secondly, their answers highlight that any new rule proposed by the agencies involves multiple actors as it needs to be approved at different hierarchical levels of the organization and the government (parent ministry, finance ministry, cabinet, and establishment). This makes it a lengthy and tedious process according to the stakeholders. Another recurring comment is that although autonomous bodies have governing boards that have representation from both private sectors and the government sector, unfortunately, members from the government outnumber the private sector members which result in an overarching influence from the government.

In conclusion to the empirical findings on agency level features, in certain aspects federal agencies in Pakistan do operate in business-oriented way, having a fairly autonomous operational human resource management decision making, but very limited financial autonomy. Though, policy formulation lies strictly in the domain of the central government, with some input from its stakeholders. However, agencies do implement policies drafted and defined by the core central government departments. This practice is in line with the NPM philosophy of policy-implementation divide which is a major prerogative of the New Public Management (NPM) rhetoric aiming to enhance public sector organizational performance (Verschuere, 2009).

10 Stakeholder Explanations of Agency Autonomy

The empirical findings suggest that some elements of the agency structure provide both descriptive and explanatory justifications to the prevalent level of managerial autonomy and political control over the disaggregated organizations under study. The data suggests these agency features as determinants of agency autonomy and its control. In this chapter we will explore how stakeholders themselves explain agency autonomy. The research question that guides the analysis in this chapter is:

RQ: How do the stakeholders explain the differences in agency autonomy?

10.1 Agency Features Explaining Agency Autonomy

How and in what way these factors explain the perceived state of managerial autonomy of the agencies under study is discussed below. Here is a list of agency features which are comprehensibly the explanatory variables of prevalent agency autonomy and these are based on the experience and opinion of the interview respondents.

- Legal status
 - Private law
 - Statute
 - Outdated act
 - Attached department
 - Lacks autonomy
 - Registered company
- Agency autonomy
- Governing Board

- Board composition
- Government representation
- Intervenes through board
- Frequent change
- Boards autonomy?
- Operationally autonomous
- Untapped legal autonomy
- Inclusive vs. extractive organizations
- Companies independent boards
- Autonomous bodies board empowered
- Formal vs. actual autonomy

10.1.1 Agency legal status: Effect on autonomy and control

Theoretically, it was claimed that the legal status of organizations is one of the structural features determining its autonomy and level of political control. Data collected through the questionnaire survey revealed that the legal personality of agencies is not found to be significantly correlated to most of the dimensions of autonomy and control of agencies. The only exception is policy development autonomy which indicates a moderately strong association with legal personality of agencies. As for the relationship between the legal status of the agency and its autonomy, the qualitative findings are partially in line with the survey results. The legal type of agency is another aspect of the legal personality of agencies. Qualitative results show that the level of autonomy and control by the government varies with the type of legal status an agency has but even within the same agency type, the degree of managerial autonomy and government control varies, since there are some other factors that have an effect on them. The personality of the agency head and the nature of relationship and networking between the agency and political elites is another commonly perceived determinant of managerial autonomy. Therefore, this outcome validates the survey findings which

do not indicate a significant correlation between agency legal status and most of the dimensions of autonomy.

The respondents from different legal types of agencies had varied opinions about their state of managerial autonomy and government control. Some federal agencies in Pakistan operate under ministries and divisions having their own independent legal status or as an entity totally administratively and legally under its line ministry. Such agency structures are usually known as attached departments without any legal identity of their own. However, exceptions are there, since some attached departments do function as autonomous bodies created under a specific law. Chief Commissionerate of Afghan Refugees is one such agency which being an attached department was created under an executive order, thus it has its own independent legal identity separate from its ministry. Attached departments do not have any governing boards and the administration rests with their respective ministries. However, some element of operational HRM autonomy and financial autonomy may prevail, but strategic human resource decisions rest with the central ministry. Neither are they involved in framing policies. This is very evident from the respondent's comments (R1) on attached departments:

Executive boards exist in autonomous bodies or semi-autonomous bodies. It does not exist in the attached departments. We are not much involved in policymaking. That is the domain of ministry. We are 1000% concerned with the implementation of those policies. For that financial and administrative autonomy is required. We do have financial but lack in administrative powers. Even if I am posted, it is via ministry. (R1)

The benefit of being from parliaments ordinances is that their board of directors can approve everything. Anything promotion, salary increase or decrease, etc. subordinate departments, attached departments cannot do that. We have here a normal government procedure. (R1)

As experienced by an attached department's head (R1) that although these entities are authorized to draft their own rules, they still rely on copy pasted government rules. One of the reasons is that it requires approvals from multiple government authorities, which is not just a tedious process but very lengthy and time-consuming as well. This perception is reflected in his words:

Like I said that we can take operational decisions but not strategic. Again, we need to consult ministry for any strategic decision. In human resource decisions, the matter is that the attached departments and

subordinate offices are governed under different rules. But if you see then they are similar to those of head office. Though we have our own rules.

According to some of the agency managers, the degree and nature of political control on agencies is dependent on the legal type of agencies. (R1,2). Cabinet division official (R34) claimed that attached departments are just extension arms of government machinery to execute government policies. However, he believed that attached departments should be in complete control of the respective ministry as they are the implementers of government policies and granting them independence would mean government would not be able to implement its own policies e.g. Government sets a Revenue target and one of its attached department; Federal Board of Revenue (FBR), unless it is in complete control of the Revenue Division, the desired results cannot be attained. The assumption that the legal status of agencies determines its autonomy is reflected through the statements of a few (R1, 10) respondents:

But as far as attached departments are concerned, they are not autonomous at all. They are part of ministry; they don't have pretty much any autonomy at all. Agencies created by Law are more autonomous (assuming the law provides autonomy) however attached departments are just extension arms of government machinery to execute government policies. (R10)

Having said that the autonomy of agencies also varies with its legal type, agencies working under private or public law as companies and corporations are expected to have an alleviated level of HRM autonomy and lesser government control as compared to the other legal types such as semi-autonomous or attached departments or sub-ordinate offices working directly under the ministry. This assumption is again testified by the perceived notion of the federal ministries representative working as a joint secretary (R 31, 32):

So yes, there's a difference between the autonomy of companies who operate under SECP's rules and corporate governance rules and the other agencies whose rules are drafted by the federal government. So maybe if you understand the autonomy can also vary.

Another federal ministry joint secretary (R37) also believed that companies registered under section 42 of the companies' ordinance 1984 are more autonomous with limited government control since they have empowered governing boards. This perception is reflected in this statement of his:

Yes, they have more autonomy. Because the board is competent to make decisions. Those made through an act of section 42 have boards. They take their decisions in their boards.

But another general perception from ministries is that no doubt the private companies' committees of boards do take HR and finance related decisions, but they still have to take final approval from the federal cabinet.

Another response from the energy sector organization (P28, 29) also attributed the level of autonomy to its legal status. This is indicated in the statement:

Our legal status is our asset, we have done a lot because of this autonomy that we have. We have developed such a big infrastructure due to this autonomy. We have developed dispensaries, hospitals, schools all over Pakistan, and we could do this due to our legal status.

The head of an educational institution (R27) also believed that having a separate legal status under an ordinance does provide some insulation from the government and its authorities in various administrative matters.

But here because of the way our ordinance is written, we are already free from that interference. There is a member from the ministry of IT in our finance and planning council. Not from the finance ministry. Especially given the fact that they are not giving us any money. So, they can only give us advice. But the university's autonomy is maintained.

An agency official at Trading Corporation of Pakistan (R26), which is a private law-based agency also states that being an autonomous organization it has the discretionary powers to take human resource related decisions without any interference from its line ministry. Moreover, its board of directors also takes administrative decisions independently. This perception is vividly expressed by one of its senior managers:

As I told you earlier that it is an autonomous organization which works as per their own understanding. There is no interference from ministry with regard to human resource, they take their own decisions. The board of director has delegated some powers to another committee called ECC and it takes decisions with regard to human resource. So major decisions about increments in salary etc. are being taken and considered by the board of directors.

Based on the above findings it can be inferred that generally private law based agencies appear to have a greater level of autonomy as compared to attached departments or other legal types of agencies (R5,6,26), but the overall autonomy scenario for each agency type may present variations even within a similar legal type of agencies. This confirms the findings of the survey, which implied that no matter what the legal status of an agency is, its HRM and financial autonomy levels might be determined or affected by other factors that

prevail within or external to the organization. In Pakistan, the legal personality of an agency cannot always be the predictor for its discretionary powers, since actual (de-facto) state of autonomy, steering, and control by the overseeing minister or ministry may present a situation contrary to the formal autonomy granted in its legal document/act/ordinance which forms the basis of its creation.

The research finding of both survey and interviews is consistent with the previous studies. (Pollitt et al. 2004); the autonomy of an agency is not directly linked to its formal legal personality, the reason being that autonomy is a multidimensional concept which may not present a similar level even amongst those agencies that have the same legal status. Secondly, another previous study (Verhoest et. al., 2004) also doesn't directly attribute autonomy to the formal-legal agency status, considering the heterogeneity of organizational features.

Some ministry officials (R36, 37) are of the view that organizations present varied structural and legal features. The kind of model agencies assume and its legal structure depends on the needs of the federal government and the purpose for which a particular agency is formed.

So, this is the broader scenario. All of them do not have the same structure. Within the federal government, there is a lot of variation according to their needs (R36).

Outdated act

Another unexpected finding related to the agency act and its rules and regulations is that some agency officials (R17, 18, 19) declared that the act under which the agency was functioning is outdated and needs to be revised in order to meet the requirements of the changing scene of governance, and to counter the prescriptions of its overseeing government ministries and dictates of the politicians with comprehensively and clearly defined rules. This is obvious in the remarks of R18 and R19:

It is ruled under the post office act of 1935, in it, all its rules and regulations are defined, and autonomy is almost defined. But it is an outdated rule now. Although establishment is operating according to it, there's no problem in its functioning. But when usurpant of powers come either from the ministry, the ministry of finance or the minister concerned, then it becomes very difficult to define, since times have changed now it has to change (R18).

It has to be more progressive. Let me quote one act of 1935 and quoting it seems ridiculous. And this act has never been revised since that. Seriously never been revised. (R19)

According to R18, one of the reasons for not revising and updating acts and its provisions and rules and regulations is to give limited autonomy and exert a greater level of control over government departments, even though they have been granted the status of an autonomous organization. Secondly, the fact that the government keeps on changing its ministry by placing it either under its sole ministry or under the ministry of communication, which oversees a couple of other organizations as well, also acts as a hindrance to its continued operations. This situation incurs a lot of instability in its operations. This viewpoint is expressed (R18) as:

But in Pakistan after every 5th year, we just keep on shuttling between having a separate ministry or being under communication ministry. Rules of regulation regarding loss etc. are all the same but they have changed. Why we haven't changed that ... the reason behind this is human psychology of control. How to control it. (R18).

From the perceptions of various agency officials, it can be inferred that rules and regulations within acts and ordinances of agencies act as a hindrance to their smooth and independent operations. Certain defined rules and regulations are purposefully kept stringent and in-conducive to autonomous decision making. Ultimately it may be presumed that although the government delegate's functions and legal authority to organizations created on the basis of acts and ordinances, it tends to control them by leaving some lacunas in the rules and regulations provided in their act which delimits their decision making authority. In this situation, the level of autonomy and government control agencies is expected to be contingent upon the nature of its legal status and bylaws (P12,13)

10.1.2 **Agency autonomy**

There are divergent viewpoints about agency autonomy and whether the agencies should be granted autonomy in administrative matters or it should fall within the domain of the overseeing regulating ministry (P1, 2, 13, 14, 20, 21, 22, 26). This refers to human resource management autonomy as per the perception of the interviewees. A private law based autonomous agency also stated that it works under the administrative control of its ministry. An agency head believed that the parent ministry should assume all administrative

verdicts and be responsible for their outcomes. But at the same time agency officials also feel that their ministry goes a bit beyond its scope, as it gets too involved in the day to day matters of organizations. This is clearly obvious in her statements:

I think the administrative body should take responsibility. Although educational bodies should be monitored as we have public money and we are responsible for public money. But in real practice, they are involved quite a lot because in the day to day matters as they are being the administrative ministry, they have to see things and monitor things. (P13).

A few other agency officials also conveyed that administratively they were functioning under their ministries and had very limited administrative powers (P1, 2, 21, 22, 26.) This was particularly felt by attached departments, which are created, solely to implement government policies for which administrative and financial autonomy is required (R1, 2). Similarly, another agency's general manager expressed his concern over the compromised autonomy of his organization, which is elicited in his cynically uttered words:

This is an organization which is autonomous, so-called, but obviously, the administrative control is with the ministry (P22)

However, on the other extreme is the case of a not-for-profit autonomous agency (P15, 16), which claims to be totally autonomous administratively under its act and can take decisions internally without any approvals or consent from its ministry. Based on the above comments of different legal agency types, it can be deduced that a majority of parent ministries assume administrative control of organizations working under them irrespective of their legal status. These results speak in favor of the earlier survey findings which indicated no direct relationship between agency legal status and its level of managerial autonomy and political control.

10.1.3 **Governing board and its composition: an effect on agency autonomy**

The presence and composition of the executive governing board of an agency is another element that determines the level of managerial autonomy and political control in agencies working under federal

ministries. Trading Corporation of Pakistan (P26), which is one of the private companies wholly, owned by the federal government, has representation from both private and government sector, whereby the government members are nominated by its ministry, which is the ministry of Commerce. Its senior management believes that the main decision-making body is its board of directors.

The board of director has delegated some powers to another committee called ECC and it takes decisions with regard to human resource. So major decisions about increments in salary etc. are being taken and considered by the board of directors. Agencies having boards are assumed to be more autonomous, as validated by the joint secretary of the Ministry of Commerce (P 31). His comments upon the presence of governing boards in organizations also reaffirm this supposition:

Yes, those having boards are definitely more autonomous in comparison to other types.

According to the joint secretary of another federal ministry, since registered companies have government representatives in their board of governance, they do not have to take approvals from their ministry for every decision.

No. they have their board of governors in which the minister, secretary is also a member, so they do not require our approval.

Another similar perception came from the joint secretary of Ministry of Industries and Production (P 37) who stated that:

All companies have a board of directors who are fully authorized to do everything either determining the level of salary based on the requirement highlighted by the head of the organization as CEO or MD. They determine and analyze all the HRM issues. Board takes up all the matters in their regular board meetings. They are autonomous. Ministry does not regulate them. There is however one thing. Above every board of directors, there is one member of ministry there who is either an additional secretary or secretary. definitely, he is one of the directors. He doesn't have the authority to reject any idea altogether or say I am the government and I have the authority, so this is not the case. He or she is one of the directors. So, the decision of the majority in the board is taken as the final decision. As such, all organizations are independent in their matters. Private companies follow exactly those corporate governance rules.

It is evident from the above comment of a civil servant deputed in the federal ministry, that private law-based companies and corporations have boards with discretionary powers. However, some companies had a contrary opinion about the autonomy scenario of registered companies. A senior manager of an electricity distribution private law-based company (R 3) in the energy sector emphasizes that its board of governors is not competent to take independent decisions. Although it has both private and government representation, it is not capitalizing its company's legal status.

These distribution companies were made but these distribution companies were not independent. The BODs were made but who are those people? They are the stakeholders, now our 100% stakeholder is a ministry, the government of Pakistan so basically the board is appointed not from the market like I am at a job with a salary. But they made them our owners. So, what they do are they do decisions related to the company's financial matters, organizational matters, HR matters, material management or business management, they have overviewed direction of the company. But now what's happening is that the company makes boards as per company's ordinance. Board has a lot of autonomy but exactly board is not utilizing it.

Another unusual finding is the frequency with which the members of boards are changed. This was shared by one respondent from the energy sector company saying:

Our board members appointed are from the private sector without any knowhow of business so when they get to know the business until then their tenure is over. For example:

I am with LESCO for two and a half years and I have seen that this is the third board and actually I am going to see another board in a couple of weeks or maybe months. So, if the frequency of board changing is this much high, how do you expect to see the performance increase?

Such a situation would definitely affect the overall performance of public organizations, even though they are made autonomous bodies but actually, a lot of influence comes in through the board which bears the burden of representatives from ministries and government. To have a strategic vision, organizations need to have more consistency and stability in their management. They can only have in-depth knowledge and understand their businesses when provided a certain period to function and gain experience pertinent enough to operate and make independent and autonomous decisions.

So if the frequency of board changing is this high, how do you expect to see the performance increase? For a strategic vision, you need such approach or maturity which understand business in-depth and have experience too.

One of the agency heads (R1) very strongly condemned the ratio of government representation in boards versus its non- government members. According to him, it is not wrong to say that no doubt government creates autonomous bodies, but in practice, these organizations are models of extractive institutions, which are controlled by the federal government. He expressed his distress by comparing inclusive organizations with extractive. Inclusive organizations are those entities which have people from diverse backgrounds and are members of the governing board, involved in the process of governing them. These institutions are those which allow individuals to make their own decisions about their work lives. Whereas extractive institutions are those in which a specific type of group of individuals controls the organization. Such entities are usually controlled by the ruling elites. The authors theorized that countries with inclusive rather than extractive political institutions are the ones that succeed and survive over the long term. (Acemoglu & Robinson, 2012). This viewpoint is evident in his comment below:

Then the issue is that the autonomous bodies' board of directors is unfortunately appointed by the federal government. Otherwise, in other countries, there are inclusive institutions where the board of directors has majority representation from the private sector, therefore, they are independent in their decisions. Here, unfortunately, we make inclusive institutions but the core is the extractive institution because they are controlled by the federal government. if nine are the members of the board of governors then the majority is of government employees. how can you say then that this is a completely autonomous body? its autonomy is compromised.

The above statement that questions the autonomy of registered companies is seconded by a ministries senior official; the secretary of Ministry of Information and Technology whose comments about the private directors of the boards of companies under his ministry creates confusion in the mind of the researcher about their independence. He stated that:

Yes. The reason is that the directors are from outside not from the government, who are 'supposedly' neutral.

The comment below, about the composition of the governing board, indicates that directly or indirectly, a majority of board members belong to government departments. And moreover, since it's a private law-based agency, its board of directors appears to be highly empowered in most of the strategic and operational HRM decisions, but surely under certain rules of its regulator.

All this structure of NITL includes twelve directors. In those twelve, one is directly the government of Pakistan. Other than that, the indirect holdings of government are in National Bank of Pakistan, Pakistan reinsurance company, IDBP, ICP whose shares are now with IDBP. So, 8% of all these makes 40-43% of holding which is indirectly with the government. Because all these entities are under the government. Now, these twelve people comprise our board of directors who run all the affairs of the company except for a few things. E.g. the appointment of MD, probably you have seen the advertisement that is done by the ministry of finance. There is no role of the board in that. Other than that, all the issues mostly are seen by the board.

A ministry official (P35), also expressed his views on the government representation in boards, saying that on the one hand the government grants some discretionary powers to agencies under it, but at the same time it doesn't want to let go off its control over it completely. For this purpose, it aims to manage the organization through its board of directors, which usually have government members in the majority.

Whenever the government gives autonomy, the mindset behind is that there should be some control with the government. That control is managed then in the board of directors in which there is both public and private representation but what they do is place the government representation in a manner to give an edge to the government. in a board of nine members, there are four or five from the public sector(P 35).

It is evident from the above comments that the appointment of the head of the private law-based agency is the only process under the government ministry. To have more private sector representation in governing boards of companies owned by the government, Security Exchange Commission of Pakistan, which is the apex regulator of listed companies under the companies' law 2017, revised the regulations of the corporate governance law, but it was actually never implemented practically within agencies. This fact is endorsed by the comments of one of the senior civil servants heading an agency(R 1):

There was a corporate governance law that allowed more representation from the private sector in the board of governors from 2/3 government members to 1/3. But that law was never implemented. That was a very good thing that let these institutions be inclusive. That means independence from government control. But that never happened. The representation is still the same that government members are more than those of the private sector. This is the story of autonomous, semi-autonomous organizations.

As per another ministries senior official (R33), companies which are created and registered under the companies act (1984) of section 42, revised in 2017 and autonomous bodies have empowered the board of directors, who can take managerial decisions independently as compared to attached departments, who don't have executive boards. Since a government representative is a member of the boards of registered companies, their boards do not need to take prior approvals for various managerial decisions from the

ministry. Similarly, the level of ministerial interference is less within autonomous bodies and registered companies vis-a-vis attached departments and subordinate offices. Whereas, ministry keeps constant check and balance of departments attached to it, thus, to be updated with every decision and action of its departments. His expressions are apparent in his words:

Yes, they have more autonomy. Because the board is competent to make decisions. those made through an act of section 42 have boards. They take their decisions in their boards. They have their board of directors in which the minister, secretary is also a member, so they do not require our approval. The autonomous body takes its decisions. We cannot interfere. They have a board of governors and they get approval from the minister. Autonomous means that they are capable of taking their independent decisions. but we keep check and balance on attached departments and remain updated about them. (R33)

Pertaining to the governing board and its composition, the results obtained through interviews do not fully confirm the findings of the survey which state that organizations having governing boards have a greater tendency to take managerial decisions independently and with minimal involvement from ministry or other government authorities. Thus, the interview results do not indicate a clear cut association between the presence of governing boards and the degree of managerial autonomy and control, since governing boards have representatives of the parent ministries who can affect the state of agency autonomy and control.

Most of the agency and ministry official professed policy formulation role to be the domain of the government and politicians, whereas its implementation is considered to be the core function of agencies operating under federal ministries and divisions.

10.1.4 **Formal vs actual autonomy**

Some ministry officials also felt that there is a gap between the provisions of law and how it is being implemented in practice. This refers to the rules and regulations given in the act or ordinance of companies which are not completely followed and adhered to in matters practically. The ministry representatives very robustly announced that they adopt different approaches to manage and regulate organizations under them while interacting with them as a member of their board or sitting in the ministry as a watchdog and overseeing their activities. This is indicated through these words:

I am telling you what I experience and face every day. I am on the boards of my companies while sitting there I look at things differently, but here sitting in the ministry I try to subdue them that why didn't you ask us. Do it after asking us (R31).

It's a conflict between de jure and de facto these are the issues (R32).

10.2 Survey Results: Confirmed or Refuted by Qualitative Findings?

This section analyses the extent to which survey results are confirmed for the hypotheses developed, and assessed against the findings of the qualitative results. However, H3, H4, H5, H6 and H9 were not verified through the semi-structured interviews, since these were already evidently analyzed and interpreted through the survey findings. Moreover, as mentioned in the research methods under section 5.2.2, the researcher had to limit her questioning because of interview time limitation.

H1: Agencies that are legally independent have more managerial autonomy than agencies without legal autonomy

For H1 the findings of the qualitative data do confirm the survey results that legal independence is not significantly and universally related to managerial autonomy. The perceptions of interview respondents indicated that the level of autonomy and control by the government varies with the type of legal status an agency has, but even within the same agency type, the degree of managerial autonomy and government control varies, since there are some other factors that have an effect on them. Therefore, the qualitative data validates the survey findings to some extent which do not indicate a significant correlation between agency legal status and most of the dimensions of autonomy.

H2: Agencies having governing boards have more managerial autonomy and are subject to less political control than those without it.

For H2, the qualitative results do not fully confirm the survey findings which indicated that those agencies that have boards between the political heads and the agency management have a

greater level of autonomy than those without governing boards, since the interview responses did not indicate a clear cut association between the presence of governing boards and the degree of managerial autonomy and control, as governing boards have representatives of the parent ministries which can affect the state of agency autonomy and control.

H7: Agencies that have a greater proportion of self-generated income will have more autonomy than agencies with a small proportion of self-generated income.

The qualitative data reports that those agencies that predominantly generate their own funds mostly exercise financial autonomy to a large extent. Another interview based finding is that those public organizations which rely less on government funding are susceptible to limited pressures from them. Therefore it confirms the survey results which indicated that agencies that rely more on their self-generated income have the authority to set general principles and rules as well as day to day operational matters with respect to HRM with no or limited interference from their overseeing authority. Therefore, both survey and qualitative findings confirm H7

H8: Agency autonomy can be compromised in the presence of an informal connection between the ministers and the agency administrators.

This assumption got supported by the results of the interviews since close networking and the informal connection between political agents (ministers) and administrators managing the public agencies is perceived to have a compromising effect on its autonomy, though it completely negated the survey findings which showed no association between informal contact and managerial autonomy.

10.3 Conclusion

The qualitative data in this chapter mostly confirm the findings of the survey on multiple dimensions. Firstly, agency officers' perception that the government controls agencies by adopting structural, on-going and ex-ante measures of control validate the survey results as per which public agencies are not commonly

confronted with sanctions or rewards from the government for their results. This demonstrates that results-based control measures (ex-post control) are not commonly adopted by the principal actors (like ministries, financial institutions, regulators) to evaluate the performance of agencies. Moynihan (2005) stated that under the system of results-based accountability, rewards should be linked to positive results, while sanctions should be imposed in case of bad performance. However, the empirical results of this study do not suggest such a system to be used for Pakistani agencies. The NPM-led system of performance control is not developed at all in these agencies, whilst they are being controlled in a traditionally hierarchical manner. Structural control is exercised by the government by retaining the authority to appoint agency heads and the nomination of board members. The government may influence the agency and its decisions by appointing its own representatives within the board; thus, exercising control over the agency. This finding again supports the survey results according to which the government tends to control public agencies through its nominees in their executive boards.

These results are also consistent with earlier studies. Busuioc (2009) noted that ongoing control is an informal channel to manipulate and steer the actions and decisions of disaggregated autonomous agencies contrary to their mandated formal discretionary authority to achieve whatever task they are delegated with. The response from this study strongly highlights an informal channel and network that prevails between different hierarchical levels of government. This channel provides access to the elected actors (politicians) into the legally autonomous agencies, and this is how they intervene in the day to day affairs of the autonomous bodies. Therefore, the qualitative findings confirm the hypothesis which presumes that agency autonomy is compromised in the presence of an informal connection between the elected officials and the agency administrators. This research is at par with the existing literature (Christensen & Rovik, 1999) which underscores the effects of networking between the political agents and agency managers on the autonomy of public agencies.

This study further reinforces the earlier studies on European agencies and literature on agency autonomy (Busuioc, 2013; Verhoest et al., 2004; Busuioc, Groenleer, & Trondal, 2012; Groenleer, 2009; Martens, 2010) which highlight ongoing control measures by government authorities in Europe. Moreover,

these findings support the institutional theory which stresses the influence of informal trends and relationships on agency opinions and decisions.

Secondly, the most prevalent way to control and direct formally autonomous federal agencies in this study is ex-ante control. The ministries and cabinet divisions define the boundaries of the legally independent agencies, by prescribing a framework of rules and regulations and standard operating procedures for various administrative, financial and policy decisions required to carry out their delegated tasks. The government authorities also direct and supervise them at the time of choosing a course of action for implementing policies and programs charted out by the federal government. Therefore, the government authorities still follow the bureaucratic input-oriented approach to evaluate and control the legally independent entities.

Based on the data analyzed, it can be inferred that, although agencification is a growing trend in Pakistani public sector governance, these entities are not being fully controlled as per the doctrines of NPM. Registered companies no doubt are perceived to have more autonomy and discretion to run their companies with less degree of control from the parent ministry, finance ministry or other government departments, but they still need to take final approval in the majority of strategic human resource or financial matters, before they can comply to and implement any policies. Even in certain cases when the independent agencies are given the option to frame their own regulations in the light of the broader framework of law drafted by the government department, more or less these autonomous agencies prefer adopting the rules of the government. The reason being that this way they cannot be held solely accountable for the outcome, and the risk associated with it gets curtailed.

Based on the empirical evidence generated in this study it may be concluded that federal agencies in Pakistan are not as autonomous as prescribed by the NPM-agency model, and neither are they being controlled as per the NPM philosophy. Plausible reasons for this gap between practice and the theoretical doctrine of NPM is the local context of Pakistan, where agencies are not being dominantly controlled on the basis of the NPM oriented performance based system of control. Although the governing elites do accept the fact that to improve public sector performance, organizations need to be granted managerial autonomy

coupled with performance –oriented control mechanism, despite this they are apprehensive to grant autonomy as per the NPM prescription.

11 Contextual Explanations of Agency Autonomy and Control

11.1 Introduction

This chapter provides a contextual explanation to the perceived trend of autonomy in federal agencies of Pakistan. It presents those state-level factors and actors which steer and control the strategic policies and day to day operations of federal agencies in Pakistan. The empirical evidence suggests that the perceived state of autonomy can be explained on the basis of two dimensions; one is the Pakistani context and the other is the aspect of control by the government which who no doubt aspires to create or restructure public sector entities as per the doctrines of the New Public Management, but do not intend to let go of their control over these entities.

As discussed earlier in chapter two that the agency narrative is actually inspired by the New Public Management model which endorses private sector oriented strategies to govern the public sector organizations, after creating them as independent organizations outside the central ministries and by providing them autonomy to operate more independently in various administrative, financial and policy decisions. However, as revealed through the empirical data collected by conducting in depth interviews of agency stakeholders that although the system of governance in Pakistan has experienced the formation of such agency structures but in practice these entities are not true reflections of organizations working as independent entities having complete discretion to take managerial and policy decisions. Empirical data reveals that these agencies operate within an overriding politico-administrative culture of intervention and supremacy of the central government. This study provides substantial evidence that contextual factors explain the prevailing trend of an overall compromised managerial and policy autonomy in agencies, whilst still being controlled in a traditional mode of ex-ante and structural control. For this reason, this chapter focuses on the following research question:

RQ: To what extent do contextual factors in Pakistan explain variance in autonomy and control?

This chapter is divided into three main sections. Section 11.2 provides an overview of the historical background of the socio-cultural and politico-administrative features of Pakistan as reported by various scholars, public sector practitioners and other government and non-government stakeholders in the academic literature. Section 11.3 sums up and narrates the results of the qualitative data as perceived by the stakeholders to generate answers about the relevance of contextual factors. And section 11.4 presents some conclusions about the role of contextual factor in agency autonomy.

11.2 The Pakistani Context: Potential Effects on Agency Autonomy and Control

As discussed earlier in the theoretical framework presented in section 4.2.2.2 of chapter 4, the autonomy and control of agencies are potentially affected by contextual features. This section firstly talks about the politico-administrative context of Pakistan which comprises of various factors that act as an enabling force or cause constraints and hindrances in the way of the agency operations, decisions and implementation. As discussed in chapter six, national institutions like the military, political agents (central ministers), civil bureaucracy, the central ministries (government) and establishment are major players. Politically motivated patronage appointments, transfers, and postings, appointments and dismissals of bureaucracy in public agencies are a historical fact (Kalia, 2013). The governance of public organizations in Pakistan is challenged by chronic political instability and patronage-based politics, practiced by both democratic and military rulers that kept on replacing each other in a cyclical pattern since the time of its independence. A network of influential political families and tribes has been a dominant feature of Pakistan's system of governance, aimed at retaining power amongst them. However, this style of governing led to its failure and further intensified challenges for every new model of governance adopted by the ruling party. The politics of Pakistan is personalized having a feudalistic and tribe-oriented style of ruling the countries governance. Protection of their privileged status and economic interests is all that the politicians always aimed for (Lodhi, 2011).

As discussed earlier in chapter 6, the legal system and the constitutional laws of a country affect how agencies function. In the first quarter of the year 2018, the Panama Leaks verdict against the ruling political party/prime minister of Pakistan, and rampant corruption by public officials in the wake of various public sector development projects instigated the interest of the head of the Supreme Court which is the apex judiciary body of Pakistan, in the administrative and financial matters of these public sector entities, wholly or partially owned by the government (Khan et al., 2018; Khan, 2016; Javaid, 2010). A corruption of billions of Pak Rupees has been detected in the affairs of 50 public companies by the anti-corruption watchdog; National Accountability Bureau (NAB) (Iqbal, 2017). Moreover, in anticipation of the General Elections 2018, the Chief Justice of Pakistan started to take suo moto notices of the strong network between the bureaucracy and the political agents, leading to political patronage/politicized appointments and began interfering in the affairs of the government agencies (Yasif, 2018). Therefore, in today's governance, the supreme judiciary is playing an aggressive role in directing the internal management of public agencies, where the chief justice of Pakistan is actively involved in the appointments and dismissal of key personnel of federal agencies and is also dictating them over various HRM and finance related matters. The determination and fixing of product tariffs is one such recent case in which the Chief Justice of Pakistan (CJP) ordered the officials of a regulatory body to revisit the mechanism of the imposition of tax on their products. In this regard, he officially directed the heads of the concerned public organizations to draft a revised formula to fix prices of petroleum products. Another similar case is of the role of the chief justice of Pakistan (CJP) in the appointment of the head of the media regulatory authority, which according to the current report was delayed due to the intervention of the federal information ministry (Tanoli, 2018).

Secondly, this section discusses the importance of the agency context on its autonomy and control. The features of Pakistan are epitomes of the colonial era, which prevailed in the pre-partition period. Various academic researchers and practitioners label certain dominant forces functioning within and outside Pakistan to influence the internal management of public sector organizations.

In the light of the above discussion which highlights the factors that affect the autonomy of state agencies in Pakistan, it may be inferred that the autonomy of the agencies may in practice be more

challenged than could be expected institutionally. And also that it is not necessarily only the federal government as a principal trying to exert influence and control over the agency, as is expected in the theoretical agency model, but in view of the corrupt public sector organizational environment, the supreme judicial head has to step forward to regulate certain illegal practices. And secondly, a politicized agency culture may cut through the logics of the agency model.

Apart from the themes generated from the in-depth interviews discussed in chapter 9 and listed in Appendix F, some other themes were also extracted which elicit the elements of socio-cultural and politico-administrative contexts. These contextual factors provide both descriptive and explanatory reasons to the perceived patterns of autonomy and control in the agencies' studied. Before providing a descriptive analysis of the contextual factors perceived to explain the level of autonomy and control in agencies under study, a list of the contextual themes (codes) and their sub-themes generated from the qualitative data is given below:

11.3 List of Contextual Factors Generated

- Role of ministry
 - Ministerial contact
 - Accountability and responsibility
- Role of Government
 - Rules and regulations
 - Approval
 - Nominates private members
 - Cabinet appoints heads
- Political intervention
 - political patronage
 - political pressure
 - Informal contact
 - Politician-bureaucracy network

- Regulators role
- Preemptive approach
- Systems continuity
- Inefficient government
- Transnational organizations
 - Donors influence
- Corruption is norm
- States culture determines political role
- States Legal system
- Dismissal causes protests
- Petty issues
- Media Effect
- Contextualize model
 - Implementation issue

11.4 Role of Contextual Factors

The qualitative data report a close relationship between the political actors and their implementing agents, the bureaucracy. A culture of the policy-administration divide is clearly manifested in the remarks of the majority of agency and ministry respondents. However, despite the fact that disaggregated public agencies have been created under the agency model, a culture of political influence and control still prevails within them. Though it does vary between the different agencies' legal types; Units of the government, such as attached departments or subordinate units have limited discretionary authority in comparison to the private law-based companies and not-for-profit-making entities.

Another determining factor is the ruling government regime and its approach towards agency autonomy and retaining some level of control over the legally independent organizations under federal

ministries. As discussed earlier in chapter 6 the level of autonomy depends upon the extent to which administrators and political agents relate to each other in a mutually coordinated way. This notion is confirmed by the response of ministry secretaries who are of the viewpoint that private companies headed by a governing board with private sector members cannot be left unmonitored, considering the fact that a lot of money is involved in running these companies, therefore making them susceptible to become grounds for corruption and embezzlement (R31, 35, 37).

Thirdly, the agency leadership and ministry officials' attitude and networking with each other also demonstrate acceptance to political intervention. In agencies where the heads and boards government members are appointed by the government/federal cabinet, there's a greater chance of intervention by the political elites. Networking between agency personnel and politicians can have a positive influence on the organizational decisions and issues but at the same time, it can be misused as well, either to manipulate the organization and use it to serve personal interests. (R34). Since ministries secretary or minister and other government officials are members of the governing board of agencies, the majority of the respondents perceive their influence on the decisions of the organizations.

The culture of total autonomy is absent in the federal agencies of Pakistan, the reason being that even when the government assigns tasks to be executed by structurally and legally independent organizations, they still intend to keep the reign in their hands. One of the reasons highlighted for not assigning complete financial autonomy to the governing boards of companies, which may have members from the private sector who cannot be trusted completely, is to avoid any sort of financial misappropriation whose consequences would be borne by the government itself (R 31).

In most of the agencies, the government relies on ex-ante control measures, since all the agencies no matter which legal type; adopts and functions according to the rules and regulations of the federal government. Even for those who had the authority and option to draft their own set of regulations, they were also required to get them finally approved by the ministry/cabinet or establishment. Secondly, the agency heads prefer following rules set by the government rather than making their own independent ones, because they do not want to be held accountable and responsible. This viewpoint endorses the mechanism of control

as outlined in chapter 3 according to which agencies are required to take formal approvals from parent ministry, department or concerned minister before complying with any decision. It provides them the assurity of achieving their objectives and reduces the amount of risk associated with it.

To obtain a thorough understanding of political-administrative factors, the specific factors will be in discussed in depth: ministerial intervention (11.4.1), Accountability and responsibility (11.4.2), Role of government (11.4.3), political intervention (11.4.4), Political pressure and patronage (11.4.5), Politician-bureaucracy network (11.4.6), States legal system (11.4.7), Role of the media (11.4.8), Role of transnational organizations (11.4.9), Influence of politicians (11.4.10), Corruption (11.4.11) and Contextualize foreign model (11.4.12).

11.4.1 **Ministerial intervention**

Agency personnel reported that organizations work closely with their line ministries. The purposes are multiple. A few responses indicated that since the majority of strategic decisions are routed through ministries', organizations have regular contact with them. Ministry secretaries are members of their governing boards. And ministries usually intervene in organizational matters through its board. Generally, the relationship between ministry and agency is perceived to be fairly congenial and the ministry plays the role of a watchdog to make sure that they work according to objectives and rules, thus keeping constant checks and balance. Theoretically, in autonomous agencies, the role of ministry is required to be minimal, indirect and to support and facilitate them. But in real practice, they are involved quite a lot in the day to day matters of the organizations, specifically when they are the administrative ministry responsible to monitor their activities and decisions. On the other hand, ministry officials believe that they do definitely play the role of a watchdog but normally do not get involved in petty issues. Sharing his personal experience, one of the ministry's joint secretary affirmed that the human resource committees of the board take fairly independent decisions in day to day matters (R31). However, another ministry's joint secretary commented that in case of receiving complaints of any illegal activity or corrupt practices, they along with the committees of the Senate and cabinet demand explanations from them. This is expressed in his words:

In the board of governors, the minister is also there. Also, senates standing committees and national standing committees are also there to look over their matters. If there is any corruption or anything, we and the senate standing committee along with national standing committee look after that. They are not on their own. There is a check on them. Whatever complaints we receive, we question them about it. Why have you done that and according to what rules? And they give an explanation. (R33)

A secretary of another ministry also confirmed that their role was to make sure that organizations working under them did not violate and deviate from prescribed procedures and tried to ensure transparency and merit without directly interfering. He stated that his ministry played the role of a watchdog, while the board of directors of organizations under them took decisions under the corporate governance rules as per the directives of their regulator, Security Exchange Commission of Pakistan. (R37). Although, ministries nominate the government personnel to be appointed as members of boards of agencies, ultimately the approval of cabinet is required. However, for private members appointments, the HR committees of the boards have sufficient authority.

The ministry does not intervene in their petty decisions. (R31).

Another perception is that the relationship depends on the mindset of the head and other officers sitting in the ministry. However, things are always shared with government authorities.

We work with our ministry very closely, it's not that there's any authoritative role they have its more of facilitation role. We also work with the ministry of industries and also with the ministry of textile and we also work with foreign office. So, it's not that you know, everything is routed through the ministry of commerce (R13).

Other than that, in our day to day operations, obviously as we are placed under the Ministry of Industries and Production, there's a lot of direction at times that we get either from the ministry itself or from the prime minister's office depending on what initiative is being undertaken(R37).

We have a very open and candid experience. Our minister used to visit us and watch closely. There were two reasons for that. One was media and other ways to give people the impression that we are actually interested in solving the problems of people (R3).

Speaking of informal contact between ministry officials and agency personnel, the majority of respondents claimed to operate through formal channels, but at the same instance, they did mention having an informal correspondence with each other, purely to facilitate organizations in routine matters. (R12, 19,

21, 22). However, in case of policy issues or those that have financial implications, ministries don't encourage informal correspondence at all. Rather agency officials perceived informal correspondence to be useful and a blessing. Considering the bureaucratic structure of our public organizations and the lengthy procedures of approvals within federal government departments', informal networking actually facilitated the organizations in getting their work done efficiently. These perceptions are reflected in their statements:

Say for example there is a letter, so we request to process it quickly or something is stuck at the deputy secretary level. So please check it, sir, so such things like a task are done in five days so that is requested to be done quicker than usual. So, it's a routine thing. Where there is informal relation, you respect the other person, oblige them. But where something of serious nature is involved e.g. policy or legalities or financial implications then we are very careful. We don't listen to anyone. We don't listen to anyone (R37).

It has a positive effect as well. Negative is not so much because sadly the way the government operates is very inefficient, I would say (R21).

We have some contacts, especially with the ministry; we have informal contacts regarding a few departments in the ministry which are dealing with us. Like prior to sending any written communication or correspondence, we do have the provision of calling them up or they call us up, that this is the case so send us this. (R22)

Another common view is that it depends upon the officials involved, how they tend to operate. Only one agency stated that there are hurdles in the way of contacting them directly. About having informal contact with its ministry, they commented that:

Formal Channels of the hierarchy cannot be bypassed. We can't communicate with the authority. There is a bureaucratic setup. There is a formal relationship between them. No informal contact between top management and ministry. Too many SOP's. Policies are well defined (R29).

Another comment repeatedly shared was about the appointment of the head of the agencies by the ministry regulating the organizations, sometimes after the federal cabinet's approval. Although a few technical private law-based organizations were of the opinion that a professional person from the private sector should be appointed as the head of their organization, but unfortunately this decision fell under the domain of the ministry. Moreover, in most cases, the heads of organizations are being appointed by the cabinet and thus careful scrutiny is also done at that level (R34)

These viewpoints are expressed in these words:

The appointment of MD, probably you have seen the advertisement, which is done by the ministry of finance. There is no role of the board in that. Other than that, all the issues mostly are seen by the board. (R5)

Regarding the head of the organization, that is where all these factors do come. There is nothing much written clearly in the ordinance as such. When there is not much clarity then there are obviously different interpretations of what is written. We are of the opinion that the head of the organization should be a professional from the private sector. This is our understanding of the ordinance. But the government interprets it in a different way. Since there is nothing clearly written down, so obviously they are in a position to appoint people they want. (R22)

Yes, we will nominate them all but with the approval of the federal government which means the cabinet. Secondly, federal cabinet appoints all the members of the BOD's, the ministry cannot. All the appointed members of the BOD of companies are appointed by the federal government, which means cabinet, so when the cabinet is appointing members then how can u say that political control is reduced or not. The cabinet is political. (R32)

Summarizing the perception of agency personnel as per their views, it can be stated that organizations have a “love and hate” relationship with the ministry. Sometimes it's too good, and you know governments keep on changing and people within ministries also change. It's not consistently good or bad, it changes from time to time.

Yes, there is “informal contact”. We have contact for political games that was on the record. The contact is this much frequent that our CEO placement is approved by Prime Minister himself. So, these operations are obviously run through frequent contact.

11.4.2 **Accountability and responsibility**

Recently a culture of accountability threat imposed by government authorities (National Accountability Bureau, judiciary) and the mandate of the ruling political regime are experienced by many organizations. Secondly, organizations prefer adopting rules framed by the government rather than framing their own, since they do not want to assume responsibility and also to avoid being held accountable for them, in case of an issue.

But they adopt the government rules because here bureaucracy is in the fear that if they made their own rules then they are answerable for them and that might invite some problem for them so they share

responsibility and add other forums in the working. It's easier to adopt government rules. If I make some rules for my ease, then I will be responsible for them. I will be accountable for them (R35)

To give you an example, there's a ministry of the government, they have five very profitable companies now they are looking for the heads of those companies, but no one is willing to take up those posts, applicants are not coming saying that NAB which question us later on. Despite the fact that they are government bodies, though they are offering better salaries to get good people from the market than the typical government entities, informally everyone is saying that no one is coming forward fearing the accountability threat from NAB¹⁴, who will face the trials at the Supreme Court. (R31)

Recently, NAB has become a prominent player in this regard and officers are reluctant to take any decision to avoid NAB inquiries in future (R34).

These comments from the respondents indicate that because of the recently revived system of accountability and check within public sector organizations, agency and ministry personnel avoid assuming principle posts and making independent policy decisions within agencies because of having the fear to subsequently encounter trials of the anti-corruption bureau; NAB.

11.4.3 **Role of government**

The government with its different departments plays a dominant role in not just formulating broader policy frameworks, but also provides detailed guidelines by providing rules and regulations. Agencies (R1, 2, 7, 13, 15, 16, 19, 20) perceive that it's always safer to adopt government rules rather than drafting its own, specifically when the funding is coming directly from the government. One of the reasons is to avoid the lengthy process of approval of the rules made by the agencies themselves. As shown by the following statement:

They adopt federal government rules for ease probably. Because to make new rules and approve them is a long process. So maybe that's the reason. (R36).

¹⁴ The National Accountability Bureau(NAB) is Pakistan's apex anti-corruption organization. It is charged with the responsibility of elimination of corruption through a holistic approach of awareness, prevention and enforcement. It operates under the National Accountability Ordinance-1999.

Secondly, to copy-paste rules already framed by the federal government limits the accountability of the organizations. Private law-based companies that are totally owned by the government also follow the corporate governance rules for all their decisions. But even in the presence of these rules, they still need the approval of a government department for policy matters. I think in a way it's good, you know then more people are accountable for decision making (R35).

The corporate governance rules prescribe that for instance, they prescribe that the CEO of the company in its acts article, it says that the board of directors will choose and recommend that the federal government will employ and the fourth point is that however, the federal government may employ a CEO. Both processes are operating simultaneously. (R31)

Agency officials of semi-autonomous organizations also commented that although they have their own rules and regulations, which are approved by their board of directors to govern their HR issues, practically these rules have to be approved and notified by the federal government prior to implementation. An emerging comment is that the board of directors of companies and authorities comprise of both public sector as well as private sector members (R22). This recurring statement by the agency officials indicates the government's involvement and influence on the decisions of the board.

Moreover, whatever legal type of agency is, they need to take approval from the federal government authorities, such as the establishment, parent ministry, finance ministry, or the cabinet division.

Even when there's no board then they go through the establishment division and its approval. And all the prescribed rules and law is in place for such matters. Even for companies the decisions taken by the HR committees like how many to hire, we need this many people, etc. even those that have their own boards they have to take NOC from the establishment division for all such matters and then they can advertise posts (R31).

Another common perception amongst respondents is that even non-government members (private sector) of the board of directors of companies, wholly owned by the government are nominated by the government itself. (R31). This indicates how the federal government “**keeps an eye on agencies**”, whether autonomous or semi-autonomous. Even for the appointment of agency heads, committees of the board which has both politicians and bureaucrats, recommend personnel while mostly the federal government is the appointing body. One of the reasons is to be sure to appoint such a person who would serve the mandate of both the ruling government as well as the organization's objectives it would lead. This is being projected in his words:

Generally, the appointments are recommended by committees consisting of Politician(s) and Bureaucrats. It is very difficult to manage all on the Committee and generally marks sheets are marked individually which gives reasonable independence in appointments. However, In most cases, the heads of organizations are now being “appointed by cabinet “and thus careful scrutiny is also done at that level(R35).

11.4.4 Political intervention

Agency officials expressed their concern over the involvement of political elites not just in their boards, its composition but also in other day to day decisions. Parent ministry secretaries, who are a member of the governing boards, are the common source of political influence in matters of the organizations. Some of them feel that interference of the politicians has become a part of our organizational and societal culture as well since secretaries intervene on behalf of the ministers. The kind of human resource that organizations require is seldom hired since political patronage leaves its impressions and ultimately organizations have to bear the consequences of employing people misfit for their positions.

Your system is set on a line where political patronage matters a lot. it has been there for 50 years. There are a lot of distortions due to that political patronage (R23)

Yes. And this is the biggest reason for our organizations' weakness. You cannot appoint a human resource of your own requirement. (R1)

It's become a part of our society that if we don't listen to them, we have to encounter threats. But then I think it's part of the game. For instance, at the time of admissions a minister comes or a phone call comes and if we don't listen to him he gets upset, this is actually a part of the game but we should work on merit so that you don't have to face any problems. (R27).

As per the remarks of a ministry's senior official, heads of companies under the line-ministries are appointed directly by the federal government (cabinet), while for some organizations their boards recommend to the ministry.

Let me clarify one thing. A limited number of our institutions; probably two, where the government appoints directly. For the rest there's a competitive process where applications are called, candidates are shortlisted and then a minimum of three for a CEO position are recommended by their board after interview by the HR committee to the ministry. The final approving authority is the prime minister of Pakistan, chief executive of the country so this is the procedure. Otherwise, we don't play any role in the selection process. (R37).

11.4.5 Political pressure and patronage

Agency respondents also complaint of undue political pressure which is experienced by majority agency heads (R1, 3, 18, 27). They are of the opinion that the senior management of agencies is influenced by political pressure, especially in transfer postings. They believed that their survival depends on such political dictates, which they had to encounter being in significant positions. Agency officials place people of the choice of ministers, just to please them. Another perspective shared was that lower management posts are used to oblige politicians, so there's a margin for agency officials to adjust employees within these grades.

I realized that if I have to work then I have to listen to all this. So, the full top management is influenced by this political pressure. There is a huge influence in transfer postings. I am bewildered when media propagates that they have no right for that transfer. I mean in which world they are living in. Come and sit in LESCO just for one day and see. so, we used to have hell lot of things. What happens is that the officers either make MNAs or MPAs of their areas happy or bother them. So, this begins that post someone at that post or at that post. So, this is a game where we can't do what we can manage best (R3).

However, the comments from private law-based agencies were contrary to the perception of the autonomous and semi-autonomous and units of the government. They were of the opinion that most decisions are taken according to set rules with minimal transgression from the law and political interference. They very strongly negated this viewpoint stating that:

I have not seen any political hiring in NIT in any tenure of government in even notorious government eras. According to my knowledge, it's zero percent. In my twenty-five years, I have seen only one or two letters from some politician addressed to the chairman. My experience says that it's very nominal because if that exists, it can be seen physically. (R5,26)

Now looking into the viewpoints of ministry officials, it appears that these representatives of the government do not think that the ministers or other politicians influence the organizations working under them in a negative manner. They believe that both stakeholders frame policies together, i.e. Government representatives do take policy input from the respective agencies they oversee, since these agencies know the ground realities more than the politicians, thus they provide the industry insight. Moreover, another viewpoint from the agency suggested political influence over bureaucracy, and this was not just limited to a specific government regime but was a part of multiple ruling parties' mandate.

These expressions are very vivid in the comments below:

They make policy together and, in a sense, influence the policy because they come up with their requirements and they tell the government what issues they are facing. And there are no negative connotations there. (R35)

There is no political intervention. Even ministers amongst themselves do not intervene with others. We just ask one thing from them that what are your problems, your progress, targets, KPIs and either you are meeting them or not. Normally there are no interventions at a larger scale, but they exist at a very minimal scale. (R37).

On the other hand, when asked about political patronage, most of the ministry representatives agreed, saying that patronage is dependent upon the political boss and those politicians do influence organizations and direct them as per their requirements, both individual and institutional. Ministries perceive all the regulators; NEPRA, PEMRA, OGRRA, even PTA to be politically salient institutions to a large extent. The reasons provided for these agencies to be politically salient is first, to have control over the regulator; secondly, since there are not much job opportunities in the public sector of Pakistan so such agency structures provide politicians an opportunity to appoint people of their choice (R35).

11.4.6 **Politician-bureaucracy network**

Both respondent categories felt that for government policies to be framed and implemented in the same manner as expected to be executed, a linkage both formal and informal prevails between both the stakeholders. Bureaucrats provide policy advice to the political agents since they are the ones who deliver ultimately. In the case of certain tasks, there is a lot of inter-ministerial linkages as well. Moreover, networking between political agents and bureaucrats may be positive or negative both in a sense that when agency personnel closely connected to political elites, their approach towards managerial decision making is more flexible and prone to execute policies and tasks more efficiently. This idea was shared by a senior bureaucrat appointed within the federal division. This finding supports Rommel & Christiaens, (2009) viewpoint that this close connection between the policy-making ministerial bureaucracy and the

implementing agency can generate a congenial and trustworthy relationship between them. On the other hand, informal connections between them can cause undue problems for the agencies/organizations and their performance ultimately.

It matters a lot e.g. a head of organization closely affiliated to Prime Minister, Army Chief, Chief Justice of Pakistan, etc. is likely to be brave in decision making, will get things done from government and has the probability of being more delivery oriented. Networking plays a positive role but can also be misused (R34).

The thing is that world over the bureaucracy is subservient to political regimes. But at the same time, they are public servants of the state not of the political government. They have to toe the line of the state. They have to tow the policies of the government. And within that framework, they have to make those policies in which they can tell that if this is in the interest of the state or not. So, they have to deliver backward and forward both ways to political bosses. For instance, if there is something at the policy level and I report to the minister. Minister wants a certain thing, so it is my duty to tell him the right thing otherwise I fail in my duty. It does not happen mostly but if something negative is coming then we have to see that too. But that can be resolved through dialogue. (R35)

Another viewpoint from the ministry official is that broader agency vision should be provided by political leadership since a bureaucrat like the secretary of a ministry cannot chalk out the vision as they are not trained for that. They are actually the executors and implementers.

Qualitative data also suggested that there should be continuity in systems, both political and administrative. Every political government criticizes the policies of the previous regimes while introducing its own mandate and new administrative systems. This changeover of political and administrative approach actually acts as a hindrance to ongoing activities. This finding endorses the statement given in earlier literature about discontinuity of systems of governance. Whatever economic, industrial and social policies that were framed by an existing government were discontinued and left in limbo by the succeeding political government (Aslam & Baloch 2012).

*So, we should develop systems, which is only possible if done through continuous practice, “**continuity is required**”. If you break continuity, then your systems can never be developed because you learn, even if you don't want to even then you learn. (R13).*

A ministry's secretary also suggested that agency officials should plan all their projects and activities ahead of time so as to have reasonably enough time in case they need to take approvals from their ministry

or any other government authority. This way agencies will be able to meet implement their tasks and agenda in a timely and effective way. This is evident in his remarks:

They are right to say so. But they should define the timeline then. If it is sent to ministry ... they keep it to themselves till the last moment. They must allow for the delays in the ministry. They should plan things keeping in view the processing time then there will not be delays. (R37).

11.4.7 **Legal system**

The legal system of Pakistan is perceived to affect the operations of public sector organizations in a negative way. Agencies think that legal matters should be dealt with within the organizations, rather than taking orders directly from the higher judicial authorities. In this way, the agency officials have to face constant allegations and threat from the government's judicial bodies, which can have a negative effect on their daily operations and overall performance. Organizations are also threatened to encounter courts petitions, because of which they rarely terminate or fire employees even on account of corruption. Theoretically the main role of any judicial institution is to ensure implementation of the law and to dispense justice and not to direct and intervene in the administrative affairs of public agencies. But there are instances where judicial courts intervene and impose their decisions upon the government agencies in various matters which makes public officials avoid to assume responsibility and making independent decisions for which they may have to undergo various judicial hearings and investigations. Another evident reason for public officials and bureaucrats to avoid interacting with the courts and their proceedings is that the legal system of Pakistan is very lengthy and judicial processes consume a great amount of time. Further, this system also gives the right to every individual to writ against the public organizations and their decisions specifically pertaining to matters in the HR perspective. The public officials therefore avoid indulging in any new policy and employee termination decisions. These perceptions are presented in their comments below:

We have a serious issue with courts. The issue is that our sector is bleeding due to various reasons. Due to theft, due to debts, due to lack of recovery and certain other forces. One of the bigger factors is this; our legal setup. Every thief here goes to court and takes a stay order. Almost five billion are stuck in court cases. (R3)

Courts are affecting us too much. Something that is coming from court, we have to obey that. I think there are rules and regulations. I think there should be a legal cell made probably within the registrar office to manage. I think issues related to HRM issues there should be a legal cell made within and I feel it should be a part of registrar office. (R13)

Yes, it does not happen directly in our case. However, if some case goes to them like if there is some pensioner so judiciary acts on that. That is a basic public right. They can call the bank on that and the bank has to take action on it immediately. No downsizing done, “as scared of courts petitions”. Even on account of corruption we rarely fire. (R18)

11.4.8 **Role of the media**

Media is not perceived to have any direct impact on the autonomy of agencies. It can only highlight issues faced by the masses being delivered by public organizations. Many agency personnel shared that it has a positive effect on the overall performance of agencies, as agencies want to avoid any negative exposure about their organization and its services through media. Media has started to influence the decision making of public entities. Decision-makers are scared of any negative publicity and thus are conscious to take decisions likely to attract criticism in media, especially electronic, while social media has become another source. Some expressions of agency personnel are as under:

Media has a major role regarding detection of complaint. For instance, pensioners when effected, they retaliate. But it's good for us, we reverse such issues speedily (R19).

I think the media is a very useful tool. In marketing what we do as reaching out to a large number of clients through social media because we are a very small, a lean organization. And we are spread across Pakistan. It is not just in one place so I would say that it could have a positive influence on the organization (R21).

Media is one factor. Like people complain about pension process and media highlights it(R7).

11.4.9 **Role of transnational organizations**

Most of the agency respondents denied having any direct influence or interaction with the supranational organizations, such as the World Bank, IMF, on their operations. However, depending upon the nature of the task, some organizations do function according to the dictates of the donor organization or other international agencies. These rules come to them through the government, the ministry or any other concerned government authority. (R 7, 9, 13, 18, 21, 22, 28, 29). When donor agencies provide the funding,

they impose some rules and expect agencies to function according to their requirements. Some agency personnel objected to being dictated by the international organizations through the government because they thought that since they are the implementing body, they should be the ones to interact with the transnational bodies.

There are a number of projects which are governed by IMF, World Bank, and ADB. They have their own terms and contracts according to which their projects are done. Two projects I know about were AMI Automatic metering infrastructure and AMR automatic meter reading. These two were the projects of ADB. They definitely have rules of course as they give funds. If I am not wrong when WAPDA was unbundled and made independent so that was also the demand of World Bank, but it came through the governments of that period. (R3)

We move as per a body which is known as Universal Postal Union (UPU), it is a global organization. Rules and regulations are drafted there so it does influence us also. i.e. any policy that is world over it has to be incorporated. Sometimes the World Bank takes from them and suggests to us. Though there is very minimal direct interaction of World Bank, IMF, etc. with us. An example is, Benazir Income Support Program (BISP) was to be done by the postal services department as suggested by the World Bank. Also, life insurance as World Bank said that the Government should not be in the business of life insurance. So, state life was privatized and asked to corporatize postal life insurance(R 18)

We work with donors in terms of implementing projects. We don't have a problem with that. I don't see any influence that they can dictate their policies. The influence they may wield is perhaps a level higher than SMEDA in terms of government itself. Obviously, every donor has its own objectives to meet, its own direction it wants to take in terms of the projects they want to do. I wouldn't say that it is such a big problem for us (R21).

Now I am the government here, but they think that minister or prime minister is more suitable to discuss things with. So sometimes the decisions come in from the top rather than from the bottom. Then they give us finances and all those finances come in from EAD. Then my role in all this is zero (R1)

A private law-based company's senior manager stated that they had nothing to do with any international organizations, except that for the purpose of security check, the United Nations may provide them a checklist of clients. This is apparent in his words:

We don't have any such thing. To the maximum, the UN might send us a sanctions list to check if people on it are our clients or not. It can be only to this extent; rest we have no concern with the IMF or World Bank.

Even the ministry representatives stated that they rarely had any direct linkage with the international funding bodies. All the funding comes through the Economic Affairs Division of Government of Pakistan. The ministry is not authorized to sign any MOU directly. It can only negotiate while sitting with them but eventually the cabinet approves it. Generally, donors come for a specified purpose. Moreover, another

ministry's perception is that they cannot communicate with foreign organizations since all such international activities are routed through the foreign office (R39).

All donations or loans are through EAD. All policy frameworks are made there. Donations, loans, grants, they are all routed through them. We very rarely negotiate directly with others (R35).

Moreover, another ministry's senior official stated that for companies working under them they do allow them to interact with such international organizations only till the extent of negotiating, but at the time of finalizing them, they have to come to the ministry who takes it forward to other relevant government forums. He is of the viewpoint that these international bodies prefer to interact with professional organizations rather than the government. However, organizations like the United Nations Industrial Development Organization (UNIDO) to intervene in the matters of the companies working under the ministry. He perceived that the ministries role is more of a facilitator in terms of international forums, conferences, knowledge sharing, and technology up gradation. The international organizations share latest news or applications with the ministry which they further share with the industries under them. This indicates that more or less supranational bodies do interact with agencies but mostly with the ministry (government) in the picture (R37).

Yes, many organizations are there like JAICA, JTZ, World Bank, Asian development. We don't intervene in negotiation but to conclude, they come to us and we take it to other relevant forums. This happens here because these national institutions, support centers or funding institutions like to interact with professional bodies rather than the government, and there is the intervention of UNIDO, etc. in our industries. We are regular members of many bodies. We pay annually thousands and thousands of dollars as annual fees

11.4.10 **Corruption**

One of the evils of any society that stands in the way of its progress is corruption. This practice is common in every sector of our society, particularly to speak of the public sector organizations. This viewpoint is evident in the words of an agency head:

Let me tell you one thing to be very honest, we have been so much involved in corruption and blame game we have finished our focus, we look at everyone suspiciously. We look at everyone from our own personal insecurities and try to breach everyone on it; I think this has become our societal norm. (R13)

This perception is also endorsed by the 2019 Corruption Perceptions Index reported by Transparency International which reported that Pakistan is the 120 least corrupt nation out of 180 countries. Each year Transparency International scores countries on how corrupt their public sectors are seen to be. (Pakistan Corruption Rank, n.d.).

11.4.11 **Contextualizing a foreign model**

Another comment that came in from some of the ministries secretary and joint secretaries was to indigenize the models of public sector governance taken from foreign nations. The reason is to adapt it as per local conditions and requirements since every country has its own set of socio-cultural and political environment. When the government of any country adopts models in a copy-pasted form, it tends to cause implementation issues which ultimately results in a shortfall of expected performance level and desired objectives. This viewpoint is revealed in their words:

Whenever a model is replicated, somewhere an error occurs. Because there are a lot of models that are beneficial, but we should study them and implement them in our context. It should be indigenized. That same pattern cannot be implemented here as it is. (R35)

Another dilemma of Pakistani society, as identified and perceived by the head of one of the attached departments is that the problem lies not with models or their philosophies but with how policies will be implemented. This viewpoint is reflected in his statement:

*The problem of Pakistan is that nobody thinks about the **'how part'** i.e. **'implementation of policies'** although everyone gives solutions. Where will the money come from, manpower source and how autonomy will prevail, who will make rules and regulations no one looks into these issues, and they just make it (R19).*

Provision of autonomy is no doubt an issue when organizations are created with independent legal status, but to what extent it should prevail is the main question that needs to be addressed. Generally, the public organizations in Pakistan do follow and adopt latest models and practices in order to run them like

private companies, but the element of control cannot be compromised in the wake of the prevailing culture of corruption and power struggle. The government doesn't want to let go of its control over the disaggregated agencies. Even though autonomous bodies and companies do have their own board of governors which comprises of members from both government departments and private sector, but they are nominated by the government itself. This method of appointing members allows for ongoing government intervention in the affairs of public agencies.

11.5 Conclusion

This section sums up the findings of the in-depth interviews conducted to provide answers to the two research questions addressed in this chapter. In response to the first research question the empirical data informs that there are multiple state –level factors that account for the varying degrees of autonomy and control in different legal type of agencies, no doubt empirical evidence reveals a compromised level of managerial autonomy, coupled with a traditionally oriented mode of input-based control. This means that the empirical data reiterates the gap between the prescribed NPM-agency model and what it entails in practice.

The central government still holds on to its traditional role of retaining power and input oriented control rather than replacing it with result-based control where parent ministries regulate agencies under them through a performance based system of control as established under the New Public Management (NPM) style of governing the unbundled entities (Christensen & Laegreid, 2007). However, this study confirms that in Pakistan a formal system of performance evaluation is not consistently prevalent across the board; however, a few autonomous agencies and private companies do get evaluated against laid down targets and performance objectives. Although many at times the government initiated the system of developing documented goals and performance indicators, it was never actually implemented in the true spirit. The data shows that very few parent ministries are involved in setting performance objectives.

The empirical findings inform that there are a number of factors that can be attributed to a lack of result-based system of control; one of the commonly reported reasons was to escape from the clutches of accountability. Political leaders in Pakistan are not willing to encounter result-based performance-oriented

control mechanism owed to lack of external accountability for their actions. Political patronage is another dominant reason for the prevailing system of non-performance-based control of agencies by the central government. Another evident purpose to create NPM-led agency structures in Pakistan is to fulfill the conditions of its donors, who demand introduction of such reform measures purely to meet their criteria. This does not generally inculcate a genuine and committed feeling to serve the masses within our political and administrative elites, thus rendering a compromised system of agencification. Having said that, although agencification in Pakistan encounters a partially implemented NPM-agency model, but within its local context it does still indicate some element of managerial autonomy specifically in case of private and public law-based companies and not-for-profit making agencies.

The empirical data collected through interviews suggests that pertaining to the politico-administrative factors, the most prominent actors perceived to influence directly or indirectly the affairs of the public agencies in Pakistan are the ministers, parliamentary secretary, state minister, and the federal cabinet or establishment, without whose approval, most of the significant administrative and financial decisions cannot be finalized. Another factor is that agencification in Pakistan has been occurring as a result of the motives of some political and administrative authorities, which may not always be to have improved public service delivery. A culture of informal connections between political and administrative elites also ignores a performance –based accountability system. Prevalence of informal channels of communication between the politicians and bureaucrats deputed in agencies is a norm. This endorses the culture of Pakistani public sector governance as claimed by various scholars in their academic writing and research studies.

It may be stated that as every country's local context differs so one-size-fits all philosophy does not apply. This notion is reaffirmed by some comments from political and bureaucratic respondents who also highlighted the issue of implementation associated with the adoption of imported models of governance without contextualizing them. According to one of the respondent's views, since every country has its own set of cultural values within political and bureaucratic setups; this doesn't guarantee that the foreign model may mesh with the local social and politico-administrative culture.

12 Discussion and Conclusion

12.1 Introduction

This chapter presents the conclusion of our research and discusses their implications. The chapter focuses on the relations between agency autonomy and control with various contextual factors. Based on the analysis of the quantitative and qualitative data it discusses the emerging patterns of managerial autonomy in Pakistan. It also assesses the mechanisms and degrees of control exerted on federal agencies by various actors and institutions of the government. Along with this, it also narrates the extent to which the empirical findings support, negate or add to the arguments presented in the existing theoretical and empirical literature on the NPM-led agency model. The chapter ends with a reflection on limitations, strengths and weaknesses of the study and the implications for future research and policymaking.

12.2 Confirming or refuting hypotheses

In chapter 4 a series of hypotheses was formulated relating generic characteristics of agencies to control and autonomy. The quantitative analyses then yielded a mixed bag of results. This suggests that some generic factors do indeed explain autonomy of agencies yet only to a limited degree. Table 12.1 below summarizes the findings for the various hypotheses.

Table 12. 1 Perceived relationship between independent and dependent variables

Independent variables	Expected effect on autonomy and control(dependent variables)	Results
Structural perspective		
H1:Legal personality	Agencies that are legally independent have more managerial autonomy than agencies without legal autonomy	<p>Survey results do not fully confirm this hypothesis, since legal personality is not significantly correlated with each dimension of autonomy. However, based on the survey the legal structure has a significant relationship to policy development autonomy only,</p> <p>In the Pakistani context, the legal personality of agencies cannot always predict their discretionary powers, since perceived state of HRM and financial autonomy and its control may be in contrast to its formally granted legal autonomy. It can be deduced that owed to the heterogeneity of organizational features, its formal-legal status is not the ultimate measure of its level of autonomy (Verhoest et. al. 2004).</p> <p>This hypothesis is also not completely supported by the findings of the interviews since qualitative results show that the level of autonomy and control by the government varies with the type of legal status an agency has but even within the same agency type, the degree of managerial autonomy and government control varies, since there are some other factors that have an effect on them. Therefore, this outcome validates the survey findings However, it is perceived that agencies functioning as private or public limited companies and not-for-profit entities have a greater degree of autonomy and lesser political control.</p>
H2: Governance structure	Agencies having governing boards have more managerial autonomy and are subject to less political control than those without it.	<p>This hypothesis is supported as our survey findings indicate that those agencies that have boards between the political heads and the agency management have a greater level of autonomy than those without governing boards.</p> <p>However, the interview results do not indicate a clear cut association between the presence of governing boards and the degree of managerial autonomy and control, since governing boards have representatives of the parent ministries who can affect the state of agency autonomy and control.</p>

Task perspective		
H3a: Agency task H3b: Agency task	<p>Agencies involved in service delivery are usually delegated with more managerial autonomy as compared to those that undertake complex non-service production or delivery tasks.</p> <p>Agencies offering service delivery tasks will be more autonomous but encounter more result-based control in comparison to agencies rendering other types of primary tasks.</p>	<p>This assumption is not completely supported since survey findings do not show for all the dimensions of autonomy that those agencies that deliver services do perceive themselves to have more managerial autonomy than agencies involved in non-service or production task.</p> <p>The survey results do not support this assumption since majority of agencies falling under different task categories do not indicate any difference between the level of control exerted upon them</p>
H4: Agency size	Large agencies having more structural capacity, perceived policy and managerial autonomy will be more than smaller ones.	H4 is not supported by the survey results, since size of the agency appears to have little relevance to the level of discretionary authority it has to take HRM and policy decisions.
H5: Policy sector	Agencies lying in the welfare or social sectors are more politically salient and may be less autonomous as compared to agencies lying in the other policy sectors.	Since the policy sector does not indicate any specific trend with HRM autonomy; therefore, this hypotheses on the political salience of the agency sector it prevails in is not supported
H6: Budget size	Agencies having large budgets will have a compromised level of autonomy, while associated with a high degree of control and political interference.	H6, in general, is not fully supported by the survey results for all the agencies since size of the budget does not make a major difference in all the dimensions of autonomy, whereby strategic HRM autonomy is an exception, as it indicates a moderate level of relationship with agency budget. It means that the discretionary power of agencies to determine the general personnel management policy decisions without prior ministerial approval is affected by the size of its budget. The patterns seem different for moderately sized agencies; however, given the low N of agencies of moderate size, it is not possible to draw a firm conclusion here.
H7: Income source	Agencies that have a greater proportion of self-generated income will have more autonomy than agencies with a small proportion of self-generated income.	<p>This assumption got supported from both survey and qualitative findings. Interviews revealed that the agencies which have more reliance on government's funds have compromised discretionary powers, while those that mostly generate their own funds have limited intervention from their regulators.</p> <p>Overall the survey results support the H7, which is based on the assumption that agencies that rely more on their self-generated income have the authority to set general principles and rules as well as day to day operational matters with respect to HRM with no or limited interference from their overseeing authority.</p>

Cultural-institutional perspective		
H8: Informal contact	Agency autonomy can be compromised in the presence of an informal connection between the ministers and the agency administrators.	The survey results do not show any association between informal contact and managerial autonomy, thus rejecting the hypothesis. However, this assumption got supported by the results of the interviews since close networking and the informal connection between political agents (ministers) and administrators managing the public agencies is perceived to have a compromising effect on its autonomy
H9: Agency age	The older an agency is the more autonomy it will have.	Since age of the agencies doesn't appear to have any effect on the autonomy and control scenario probably because the culture or norms established within the agencies over passing years is not so dominant as the other external political elements. Thus, H9 is not supported at all.

12.3 Answering the Research Questions

This study was led by two over-arching research questions which we repeat below for convenience and then answer shortly, based on the previous empirical analyses.

RQ: Which generic theoretical framework/frameworks possess an explanatory power for the control and autonomy of agencies in Pakistan, on the state-level and on the agency-level?

Overall, the findings of this study suggest that agencification in Pakistan can be understood by the transformative approach (Christensen & Laegreid 2007) which is an amalgam of instrumental and institutional perspectives. It highlights the role of national historical, political and administrative structures. It may be stated that the levels of autonomy and control within public agencies is determined by the factors prevailing in the local context and are therefore path dependent (Pollitt & Bouckaert, 2004). This study also reports that Pakistani agencies are predominantly involved in implementing policies drafted by the government. But in some cases, the governing body does involve them to develop policy proposals or to provide their input and advice. This practice is as per the rational choice theoretical perspective which

emphasizes on the policy setting and goal determination role of politicians. This study also suggests that the patterns of autonomy and control are attributed not just to the logic of action (March & Olsen, 1989) but also to the logic of consequence (Christensen et al., 2007). As per this approach, decision-making is not done in a rational manner, but administrators take decisions on the basis of their past experiences with similar situations keeping in focus the contextual socio-cultural and political conditions.

The second overarching research question focused on the impact of local contextual factors. It reads: *RQ: Which specific contextual factors are likely to affect the steering, control, and autonomy of agencies in Pakistan?*

The qualitative data in this thesis suggests that some of the local factors do indeed have a strong impact on the actual control and autonomy of agencies in Pakistan.

The first of these important contextual factors in Pakistan refers to the conditionalities of donor agencies, as poor nations encounter alien reform policies just to serve the purpose of receiving aid from international donor agencies (Sulle, 2010). Secondly, the political leadership does not always have sincere intentions to achieve positive results of such donor driven reforms, in part because of a lack of performance-based accountability. Moreover, another determining feature of autonomy and control is the prevalence of a culture of political patronage and informal channels of communication between the agency and the government. Hyden (2005) endorsed this viewpoint which is also advocated by a majority of the respondents in this study. Findings of this study further indicate that agencies provide platforms for political patronage and provide political actors the opportunity to appoint their preferred representatives at senior levels, as board members and influence agencies through them.

The autonomy of public agencies in Pakistan is affected by its wider political culture, which presents power centralized in the political elite's office (prime minister of Pakistan). Many agency officials also confessed having informal and direct relations with the political heads and agency bureaucracy which affects their autonomy. This study endorses the prevalence of political patronage in our public sector, which supports the viewpoint of Kalia (2013), who stated that after assuming political positions the foremost aim of

politicians is to offer or create employment in the public organizations for their family or favorites, whom they have to oblige in return for their political support. The qualitative data of this study suggests that agencies' actions and decisions are often scripted by their parent ministries. The type and degree of political control exerted on the agency is contingent upon the appointment and composition of board members. Close informal networking between political agents (ministers) and administrators managing the public agencies has a compromising effect on its autonomy. Another factor that influences the autonomy and control level is the work attitude of the head of the agency, and his network with the stakeholders using which he can run his organization more independently

After providing the overarching answers to the research questions, we will discuss them, reflect on our findings and suggest avenues for future research. But first we reflect on the limitations of the present study.

12.4 Limitations, Strengths and Weaknesses of the Study

The researcher identified certain limitations and weaknesses of data and the instrument used while conducting this study. In the quantitative phase of the study, there was a probable risk of a non-response error. It was also experienced that the length of the questionnaire appeared to be a common reason for respondents to hesitate either filling it up or delaying it by making different excuses. These factors made the researcher reach them multiple times, either in person or by making repeated telephone calls, which not only added to the cost but also wasted time and resources. Another limitation of data collection through the questionnaire was that since a majority of the response organizations (federal agencies) were located in Islamabad, not the city where the researcher resided, reaching them in person involved extra funds and time. Another limitation of obtaining survey response is the inability to probe responses. Since a questionnaire is a structured instrument, it allows limited flexibility to the researcher with respect to response format. However, one of the benefits of survey is that structured questions provided objective answers, which are relatively more reliable and easier to analyze.

The qualitative technique to collect data by conducting in-depth semi-structured interviews may have led to researchers' biased interpretations of the data gathered. The interviewer may have understood and transcribed interviews in different ways. This methodology involved the risk of information to be shared in a sugar-coated manner, just for the sake of social desirability, thus not revealing the true perceptions. However, some strength of semi-structured in-depth interviews also increased the probability of accurate information shared by the respondent. Any information provided could be rectified and further elaborated whenever needed in this method, since both the parties were physically present which increased the chance of obtaining sufficient and relevant information. Moreover, data obtained through survey was supplemented and verified by the information gathered through in-depth interviews. Collecting data through semi-structured in-depth interviews seem very pertinent considering the positive attitude of the bureaucracy and political elites working in the public sector organizations in Pakistan. These government servants prefer to speak verbally to share their experiences in comparison to providing answers by filling in written questionnaires. This increases the chance of acquiring a more reliable, detailed and realistic perception.

12.5 The Nature and Rationale of Agencies

The agency model aims to make the delivery of services to the public more efficient and effective. The rise of the agency model in developing and underdeveloped nations is also the result of international pressures from the donating world and international organizations (IMF, World Bank, OECD, and EU) (Overman, 2016; Moynihan, 2006). Agency managers are supposed to have the discretion to *manage* which is expected to stimulate a more efficient delivery of public tasks (Moon & DeLeon, 2001; Overman, 2016). Agencies are expected to become more responsive towards their clients and other stakeholders when awarded a certain degree of autonomy and control by the federal ministries and other government departments (Pollitt et al., 2004; Verhoest et al., 2004). Moreover, the autonomy provided to managers also empowers their employees and this should make it possible to hold them accountable for their decisions and actions (Talbot 2004, Pollitt, et al. 2001). Agencies are considered and expected to be flatter organizations with lesser pressures exerted from the politicians

on routine operational matters, policy implementation, and finance and personnel-related issues, than the typical ministry or department (Verhoest et. al, 2012). The practical purpose of the creation of single purpose agencies is to diminish direct political control and to enable more professional management-styles (Peters, 2001). By functioning at an arm's length, ambassadors of the agency model claim that these entities serve the purpose of depoliticizing the public sector.

The findings in our study, however, do not support this view of efficient and depoliticized agency management. Most of the organizations are influenced by various governing elites. The creation of such autonomous agencies does not guarantee complete autonomy or minimal government control. The principal-agent theory which states that agencies operate on the basis of performance criteria can be monitored more objectively can run more efficiently (Pollitt et. al, 2001). The results of this study do not fully support this perspective since agencies are generally perceived to be regulated and controlled through ex-ante (input oriented) and structural mechanisms of control.

The senior bureaucracy in agencies is under the influence of political agents, either through its governing board or directly through parent ministry officials, especially for recruitment, transfer postings, and other HR policy decisions. This perception does not support Peters' (2001) ideal-typical logic of single purpose agency structures assigned to specific tasks in a non-politicized professional environment. However, in certain agency types in Pakistan, such as the public or private law-based companies that are fully owned by the government, political intervention is perceived to be rarely experienced. A similar situation prevails within not-for-profit making organizations.

The qualitative data analysis further underscores the limited extent of managerial autonomy in Pakistani agencies. These organizations for instance prefer to adopt government-drafted rules in order to avoid accountability for their autonomous actions and decisions. However, the data analyzed does indicate that operationally they do have the discretion to manage their day to day administrative matters to some extent and in some HRM matters. However, the degree of autonomy varies between different agency types. This finding supports the claim of Verhoest et al. (2012) that agencies are expected to be flatter

organizations with comparatively lesser pressures exerted from the politicians on routine operational matters and policy implementation than the traditional centralized ministerial model.

The bureau-shaping model of Dunleavy (1991) theorizes that bureaucrats deputed in agencies use them as favorable grounds to serve their short-termed interests. Political representatives in parent ministries or governing boards use this platform to oblige and appoint their favorite. This finding of the study validates the viewpoint of Van Thiel and Yesilkagit (2007), who stated that such agencies provide platforms for political patronage and provide political actors the opportunity to appoint their preferred representatives at senior levels. This finding also adds to the academic literature which narrates that agency policies serve political ends (Pollitt et al., 2004, p. 20). Also, as per Huber and Shipan's (2002) viewpoint, the agency structure is the product of political decisions aimed at political advantages. Political leaders keep overall control of agencies by placing their representatives in their governing boards. The empirical data also elicits the adoption of such practices in federal agencies. According to Yesilkagit and Christensen (2010), agency structures may be an initiative of the political elites and not the legislatures. The aim is to enhance their credibility and also to make the autonomous agencies responsible for their decisions and actions. The qualitative data of this study suggests that this holds for Pakistan.

12.6 Agency-Level Features: Explaining Autonomy and Control

Christensen (2001) and Verhoest et al. (2004) claimed that the legal status of agencies, and their financial status, determine their level of autonomy as and to what degree they are controlled. The empirical evidence in this thesis give some support to this argument. It is perceived that private or public limited companies and not-for-profit entities have a greater degree of autonomy and lesser political control. This also endorses Yesilkagit and Van Thiel's (2008) viewpoint that significant differences in levels of policy autonomy prevail between agencies of different legal status. The source of funding also affects the level of autonomy. Agencies relying on government's funds have less discretionary powers, while those who mostly generate their own funds have more discretionary powers. This means that the ministry-agency relationship

is affected by the financial dependency of the agency on the state budget (Greer, 1994; Pollitt, 2005; Verhoest et al., 2004, 2010).

Data analyzed in this study also indicate a clear demarcation between the framing of policies and their implementation. The actual policy autonomy of agencies might not be in line with their formal policy roles as laid out in acts or statutes (Yesilkagit, 2004). The finding of this study about the policy role of agencies supports Pollitt et al.'s (2001) argument that the restructuring of public entities aims to separate the roles of policy making and implementation, whereby agencies are considered to be the epitomes of the operative tool of the central government. This is a result from the qualitative part of the research, while the quantitative analysis did not confirm this. Analysis of the empirical data indicates that, although a majority of agencies perceive to be implementers of the policy framed by the government, some organizations do provide policy suggestions and advice, particularly those that are involved in technical product- or service delivery. This supports Elder and Page's (1998, 2000) argument that sometimes federal agencies may be involved in the initiation of policy proposals, whereby mostly they provide consultation on proposals.

The variations amongst agencies in policy formulation autonomy is attributed to multiple agency characteristics, mainly, task, culture and structural features of the agency. Some agencies which are created to provide policy advice to the government or perform technical tasks are usually involved in the policy formulating process. The degree of policy formulation autonomy also depends upon the nature of the task to be undertaken and how salient is the organization for the government. This endorses the belief that political salience is another task related feature that might affect the type and degree of policy autonomy and offers an explanation for the policy-making role (Niklasson & Pierre, 2012).

The degree of political salience of a certain policy issue further determines the level of involvement of the agency. Highly salient policy programs offer less discretion to agencies in the policy-making process while demanding to be strictly steered (Pollitt et al., 2004; 't Hart, 2002). Empirical evidence reiterates this viewpoint in this study. Moreover, one of the underlying principles of democratic governments is that administrative entities should merely be responsible for implementation of policies already framed by elected legislative actors (Peters, 1988; Svava, 2006a). Overall, the qualitative empirical results of this thesis

reveal that policy formulation autonomy varies between agencies having different legal status and the political salience of the policy content and issue. The role of different stakeholders in the process of policy determination is contingent upon the institutional norms and political context. (Painter & Yee, 2012).

The unique political history of Pakistan and the different forms of ruling governments affects the governance of agencies. Cultural factors include both the political as well as the social features of Pakistani society and the impact of international donors. The interaction of these factors and their nuances makes policy making a complex phenomenon. The qualitative data of this study also shows similar trends in policy matters. This means that when donor agencies provide the funding, they impose some rules and expect agencies to function according to their requirements.

Theoretically governments aim to regulate disaggregated agency structures by holding them accountable for their actions and results. The way forward in this direction is by imposing sanctions or awarding penalties in case of unmet objectives and or extra incentives and rewards (Roness et al., (2007)). The results of this research show that public agencies are not commonly confronted with sanctions or rewards. The empirical data of this study is not in conformity with the NPM-claim that agencies should be controlled with ex-post measures.

12.7 State-Level Factors: Effecting Agency Autonomy

Kickert (1997) stated that public management decisions in any country cannot be rendered in isolation from its societal and political setting. Pollitt and Bouckaert (2004: 40) refer to politico-administrative systems as “those fundamentals of political and administrative systems that change only gradually or infrequently, and which may, therefore, be regarded as rather stable characteristics of the environment in a given polity”. Based on previous studies conducted in Europe, scholars pointed at the influential role of political heads, which despite delegation of formal autonomy tend to get away by imposing their own decisions on these-labeled autonomous agents. Ministers were found to be the main agents directing independent agencies (Schillemans, 2007). The empirical data of this study confirm the remaining political influence of agencies. Busuioc, Curtin, & Groenleer, (2011) in their empirical studies on delegated

governance state that agencies' actions and decisions are often scripted by their parent ministries. They are required to report their decisions and actions to their superior authorities as well as to various internal and external auditors (Bovens, Curtin, and 't Hart 2010; Busuioc, 2013; Hood et al., 1999; Koop, 2011). This study also reports that agencies are generally subservient to government authorities, either in the form of its parent ministry or other regulatory and auditing entities.

Having politically appointed board members increases the chance of limiting formally assigned managerial autonomy to take various strategic and operational decisions. This thesis provides evidence that supports Christensen's (2001) viewpoint on having political nominations of governing board members. Civil servants attain positions on the basis of political affiliations rather than on merit structure (Soomro et al., 2014). Therefore, the type and degree of political control exerted on the agency is also contingent upon the appointment and composition of board members.

Considering the relationship established between the contextual factors and the autonomy and control mechanism in the existing literature, it would be justified to comment that the empirical findings of this thesis support the claim of various scholars and researchers who believe that apart from the agency features, other external factors and associated actors (related public organizations, ministers and private entities) also influence the agency dynamics and ultimately its performance (Christensen & Laegreid, 2003a; Pollitt & Bouckaert, 2004). "Even in the very early days of Pakistan's independence, the civil servants started receiving political pressures for favors." (Iqbal, 2014). This study endorses the prevalence of political patronage in our public sector, in line with Kalia (2013). Another dominant state actor perceived to be affecting the autonomy and exerting control upon public agencies in Pakistan are the courts and their officials (lawyers and judges of the apex courts) who with their legal authority and jurisdiction can impose restrictions and limit the discretionary power of public officials working in federal agencies.

Several studies indicate that formal autonomy to render managerial decisions granted to agencies under rules, regulations, and statutes appear to be different from actual autonomy they have or perceive to have (Verhoest et al., 2004; Yesilkagit & Van Thiel, 2008; Bach, 2014; Painter and Yee, 2011). A similar

perception is gathered from this study as well, where both agency and ministry respondents experienced the discrepancy between formal and actually realized managerial autonomy.

12.8 Agency Autonomy and Control in the Realm of NPM

The process of agencification in Pakistan falls under the domain of New Public Management reform efforts, driven by the isomorphic movement of NPM in western democracies or in response to conditionalities of funding donor agencies. Although a common perspective of the donor community is that agency structures in the developing countries can enable them to operate more autonomously in a businesslike way having limited interference from the political entities in their daily matters (Devas et al., 2001). However, reality is different from this viewpoint, since it is more context dependent and under the influence of conditionalities imposed by funding authorities (Berthelemy et al., 2004).

The results of this study indicate that the degree of autonomy in Pakistani public agencies at the federal level is much less than what the NPM-agency model propagates, in line with other studies. In developing countries like Tanzania, Pakistan and some other African countries, the political leadership does not have sincere intentions to achieve positive results of such donor driven reform practices because of lack of performance-based accountability. MacCarthaigh, Painter and Yee (2016), stated that political leaders serve their own interests by opting for autonomization and agencification of public organizations thus shifting the burden to agency managers and escape accountability. This unmatched organizational and managerial autonomy without realized accountability may breed grounds for corruption within the public organizations of developing countries where political institutions are already unstable having scarce resources and therefore are vulnerable to have corrupt bureaucracy (Bangura, 2000; Braathen, 2004).

As per Larbi (1998), the NPM-based reform principles aim to enforce performance-oriented accountability instead of administering the public organizations through the traditional input-based system of financial and administrative control. One of the fundamental principles of NPM agency-type reforms is to achieve the right balance between managerial autonomy and agency accountability. However, the results of this study and previous studies indicates reliance on traditional mechanism of input-based control rather than

result-based control systems. Since the *ex post* control system doesn't prevail in most of the developing nation's public agencies, the balance between autonomy and accountability remains unmet (Caulfield, 2002).

As stated by Caulfield (2006), agencies operate outside their parent ministries but are still *ex ante* controlled with limited discretion to take strategic decisions. Despite the formal implementation of businesslike NPM doctrines in public agencies, parent ministries overseeing them are still hesitant to allow agencies to operate completely as per NPM standards. This has been acknowledged by a majority of ministerial representatives interviewed in this study as well as other studies conducted in non-OECD countries (Sulle, 2010). The results of this study when compared with the findings of other studies conducted to analyze the implementation of NPM-led agency doctrines in other non –OECD contexts, present similar reform trends. Non-western democracies portray lack of result-based control measures with limited reliance on performance evaluation through objectively defined performance plans. This makes performance accountability a rare phenomenon in agencies functioning in developing countries.

Moreover, another determining feature of autonomy and control is the prevalence of a culture of political patronage and informal channel of communication between the agent and the principle. Hyden (2005) endorsed this viewpoint which is also advocated by a majority of the respondents in this study. The autonomy of public agencies in the developing countries is affected by their wider political culture, which presents power centralized in the political elite's office (prime minister in case of Pakistan and the President in the case of Tanzania). Many agency officials also confessed having informal and direct relations between the political heads and agency bureaucracy which affects their autonomy. Since autonomization as a strategy of NPM was conceived to improve efficiency of service delivery and responsiveness to political principles, its success can be measured by the extent to which it has achieved both these objectives of increased operational efficiency and responsiveness of agency bureaucracy towards their political principles (Manning, 2001). The economic conditions of the developing nations also hamper the reform process and its implementation as per the ideal NPM doctrines. Funding agencies limit the independence of the public organizations who being donor conditioned are prone to follow the dictates of its funding authorities and their reform policies, which may not be as per the local contextual circumstances and requirements.

Based on the review of NPM developments and what it has achieved in various developing countries of South Asia, Sub-Saharan African and South America, it can be inferred that government departments are still functioning in a hierarchically bureaucratic Weberian style, with decreased accountability of agency bureaucracy (Batley, 1999; Manning, 2001). Although autonomization of government organizations is a common phenomenon in many parts of the world, but its successful implementation is rarely witnessed, specifically in Central and Eastern Europe and the former Soviet Union. (Mukherjee & Wilkins, 1999). Various reviews and studies reached the conclusion that NPM reform results indicated clear differences between CEE and the western countries. Administrative culture in CEE countries also differs from that of the western European traditions because of their dependence on donor driven funding and policy conditionalities. These regions also present unstable and inconsistent notions and practices (Meyer-sahling & Yesilkagit, 2011). They emphasized that the NPM reform instrument is not the culprit rather the issue lies in it being inappropriate for the local national context of its application (Bouckaert et al., 2008; Bouckaert, Nakrosis, & Nemeč, 2011; Nemeč & De Vries, 2012). Hence, it can be stated that one of the factors commonly seen to hamper successful implementation of NPM based reform is the political instability and administrative incapability. Moreover, a major prerequisite for public administration reforms is to rebuild democratic institutions, develop systems of civil services and enhance administrative capacity. Some other underlying impeding contextual features include quality of state of law, corruption, and territorial fragmentation, lack of sufficient administrative capacity to develop, implement, supervise and evaluate policies (Nemeč & de Vries, 2012). The developing world and CEE states face some common challenges and opportunities; however, owed to their contextual differences, reform practices cannot be generally suggested to each region (Dan & Pollitt, 2015). Rather, Drechsler (2015) stated that imposition of general global-western public management reform philosophies of New Public Management may create problems due to the contextual differences prevailing within the developing countries. Moreover, studies conducted in Africa, Asia, and Latin American on autonomized public organizations also identified certain issues and deficiencies in meeting the desired objectives of the principles of NPM- led model of autonomization (Nickel, 1998). The creation of task specific, semi-autonomous bodies in Sub-Saharan African countries

were in response to the demands of multilateral donors, who stressed reducing the role of the central government by decentralizing public service provision (Caulfield, 2006). South and East African countries like Tanzania, Uganda and Ghana belonging to this region have adopted and experienced similar reform policies and their outcomes because of their dependency on aid and conditionalities associated with it.

Based on the overview of studies conducted in the developing countries of the eastern and western African regions of sub-Saharan Africa to assess the impact of NPM based administrative reforms, it can be stated that the role of parent ministries is not so different in SSA as it is in the western democracies. Central departments have not proved to be good parents (Pollitt et al., 2004). Since these departments get deprived of competent professional and technical staff who apparently get re-appointed in the newly created autonomous organizations which results in problems for the parent ministries to monitor their agencies' performance. This situation is coupled with the problem of a lack of performance-based culture within the parent ministries (Caulfield, 2002). Hirschmann (1999) sees agencies to be 'islands of excellence' in a sea of incompetence. To address the question, whether autonomization has succeeded or failed in non-developing contexts, studies indicated a 50/50 impact, since they identify some areas with successful implementation, while others portray serious issues in its implementation.

The empirical results of this study indicate that overall the agencification process in Pakistan is characterized by autonomy in operational day to day administrative matters but has limited strategic HRM, financial management and policy formulation autonomy. The agencies are predominantly involved in implementing policies drafted by the government. But in some cases, the governing body does involve them to develop policy proposals or to provide their input and advice. This practice is as per the rational choice theoretical perspective which emphasizes on the policy setting and goal determination role of politicians. The traditional mechanism of seeking final approvals on various policy matters from government departments such as the cabinet, ministry, and/or establishment still prevails. Moreover as per the findings of this research, the process of agencification in Pakistan is still under the realm of its traditional system of performance management, hierarchical accountability and politicized environment (in the form of political

patronage, regional and ethnic affiliation), since the parent ministry still holds onto its conventional role of control.

12.9 Research Implications & Future Research Directions

The results of the study have significant research implications which may provide a future research discourse, while learning from the experiences of this study. It also provides recommendations to practitioners for a more context relevant model of agencification in Pakistan. The empirical evidence drawn from this study provides an opportunity to innumerable academics to carry out comparative research at cross country levels, as well as across agencies in different policy sectors. This study opens up avenues for further research in the area of public sector management in Pakistan by identifying all those factors, dimensions and dynamics of agencification which affect the mechanisms of governance in Pakistan and ultimately service delivery quality. Therefore, future research should focus on studying the changes in the output and ultimately outcomes of the process i.e. the effects of agencification in Pakistan, which may be the primary area of concern for both academics and practitioners. This might provide a deeper insight into the relationship between agency doctrines and its performance outcomes.

Based on the lessons drawn from the empirical evidence, this study proposes to indigenize the models of public sector governance taken from foreign nations. The reason is to adapt it as per local conditions and requirements since every country has a unique socio-cultural and political environment. As per Pollitt and Bouckaert (2004), public sector reforms are path dependent. This suggests that before adopting reforms isomorphically, a policy analysis should be rendered of reforms that precariously follow the 'logic of appropriateness' (McCourt 2008), which claims to mesh local contextual factors with foreign reform agendas (March & Olsen, 1989). According to Polidano (1999), the success of reform measures is dependent upon the local contingency factors. Models of public management imported from the western economies are unsuitable in countries having less political and administrative capacity (Schick, 1998; Therkildsen, 2000). When the government of any country adopts models in a copy-pasted form, it tends to cause implementation issues which ultimately results in a shortfall of performance.

Generally, the agencies in Pakistan follow and adopt the latest models and practices of governance and aim to operate just like private companies. But departmental control cannot be compromised in the wake of the prevailing culture of corruption and power struggles. The government does not want to let go of its control over agencies. Even though autonomous bodies and companies do have their own boards of governors there is central control as members are appointed by the government itself. This enables ongoing government intervention in the affairs of public agencies on the basis of political interests rather than policy efficiency. The bureaucracy still plays a pivotal role in agency decisions, since most of the federal ministries still have a civil bureaucracy or military bureaucracy placed on their senior most designations. As long as this is the case, disaggregating agencies in line with international models of governance does not automatically lead to more efficient and effective agencies in Pakistan

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¹⁵ *Dawn* is Pakistan's oldest and largest English-language daily newspaper.

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Appendices

Appendix A: Profile of Organizations/Respondents Interviewed

Respondents(R)	Respondents affiliation	Legal Type	Organization	Ministry
1	Commisionerate	Attached department	CCAR	SAFFRON
2	Deputy Commissioner	Attached department	CCAR	SAFFRON
3	Director HR	Company(private law)	LESCO	Water & Power
4	Chief Executive	Company(private law)	LESCO	Water & Power
5	Marketing Head	Company(private law)	NIT	Finance
6	Head of Finance	Company(private law)	NIT	Finance
7	Senior Vice President	Autonomous body	NBP	Finance
8	Executive Vice President	Autonomous body	NBP	Finance
9	Director General	Autonomous body	NSPP	Establishment
10	Dean	Autonomous body	NSPP	Establishment
11	Executive Director	Autonomous body	PIM	Industries & Production
12	General Manager	Autonomous body	PIM	Industries & Production
13	Vice Chancellor	Chartered PSI	PIFD	Commerce
14	Registrar	Chartered PSI	PIFD	Commerce
15	Member	AB (not-for-profit)	PGGA	Federal Education &PT
16	Member	AB (not-for-profit)	PGGA	Federal Education &PT
17	Director General	Attached department	Postal Services	Communications
18	Ex- Director General	Attached department	Postal Services	Communications
19	Senior Officer	Attached department	Postal Services	Communications
20	Professor	Semi-autonomous	PSC	Federal Education &PT
21	Director HR	Semi-autonomous	SMEDA	Industries and Production
22	Director Admin & PR	Semi-autonomous	SMEDA	Industries and Production
23	Director General	Wing of AB	SMW	Establishment
24	General Manager Sales	Public Ltd. Company	SNGPL	Petroleum & Natural Resources

25	Deputy Managing Director	Public Ltd. Company	SNGPL	Petroleum & Natural Resources
26	Manager	AB(Private Law)	TCP	Industries and Production
27	Rector	Autonomous body	VU	IT&T
28	DG HR	Autonomous body	WAPDA	Water & Power
29	DG Administration	Autonomous body	WAPDA	Water & Power
30	DG Finance	Autonomous body	WAPDA	Water & Power
31	Joint Secretary	Ministry	Commerce	
32	Secretary	Ministry	Commerce	
33	Joint Secretary	Ministry	Food and Health	
34	Additional Secretary	Ministry	Cabinet Division	
35	Secretary	Ministry	IT&T	
36	Joint Secretary	Ministry	IT&T	
37	Joint Secretary	Ministry	Industries & Production	
38	Joint Secretary	Ministry	SAFFRON	
39	Secretary	Ministry	SAFFRON	

Appendix B: Abbreviations

CCAR	Chief Commisionerate of Afghan Refugees
NIT	National Investment Trust
NBP	National Bank of Pakistan
NSPP	National School of Public Policy
PIM	Pakistan Institute of Management
PIFD	Pakistan Institute of Fashion Design
PGGA	Pakistan Girls Guide Association
SMEDA	Small and Medium Enterprises Development Authority
PSC	Pakistan Study Centre
SMW	Senior Management Wing
SNGPL	Sui Northern Gas Pipelines Limited
VU	Virtual University
TCP	Trading Corporation of Pakistan
IT&T	Information Technology and Telecommunication
DG:	Director General
HRM:	Human Resource Management
MD:	Managing Director
ACR:	Annual Confidential Report
PER:	Performance evaluation report
HEC:	Higher Education Commission
BPS:	Basic Pay Scale
HOD:	Head of Department
CFO:	Chief Financial Officer
NTS:	National Testing Service

CEO:	Chief Executive Officer
SMEDA:	Small and Medium Enterprise Development Authority
KPI:	Key Performance Indicator
ECC:	Economic Coordination Committee
VU:	Virtual University
TTS:	Tenure Track System
NOC:	No Objection Certificate
BOD:	Board Of Directors
OGRA:	Oil and Gas Regulatory Authority
PSO:	Pakistan State Oil
MOU:	Memorandum of understanding
SECP:	Security Exchange Commission of Pakistan
FIT :	Fashion Institute of Technology
PIM:	Pakistan Institute of Management
IDBP:	Industrial Development Bank of Pakistan
ICP:	Investment Corporation of Pakistan
MNA:	Minister of National assembly
MPA:	Minister of Provincial Assembly
EAD:	Economic Affairs Division
JAICA:	Japan International Cooperation Agency

Appendix C: Survey Questionnaire

Governance and Management of Public Sector Organizations in Pakistan

For any queries you may have while completing this questionnaire, please contact the project coordinator Ms. Aisha Rizwan, at aisharizwan.ias@pu.edu.pk, or 03007777700, 042 99231810-11; or the project director Prof. Dr. Nasira Jabeen, at director.ias@pu.edu.pk or 042-99231815

Thank you.

1. What is the name of your organization?

2. What is your function within the organization? **(Please select one of the options given)**

CEO	<input type="radio"/>
Company secretary	<input type="radio"/>
Financial director	<input type="radio"/>
HR director	<input type="radio"/>
Senior manager	<input type="radio"/>
Other (please specify...)	<input type="radio"/>

3. For how many years have you worked for this organization?

.....Years.

Identification and environment

4. In which year was your organization established in its present legal status?

5. How many full time employees did your organization have on 31st December 2016?

6. What was the total size of the budget your organization worked with (in million Rs) on 31st December 2016?

7. What are the sources of income for your organization? What is the primary (and if relevant, secondary source) in terms of amount or in terms of share of your total budget?

	Primary source of income (please select one)	Secondary source of income (please select one)	Please give an estimated share of each source of income in the total income of the organization
Direct budget allocation by the parent ministry/government entity	O	O	%
Self-generated income which the organization itself can keep and use to make expenses (such as, <i>self-raised taxes, income from the sales of services and products, gifts, sponsoring and membership, others...</i>)	O	O	%
Others (Please specify)...	O	O	%

8. What is the legal basis of your organization?

Act/Ordinance	O
Ministerial Act/ Executive order	O
Other (specify)	O

9. Does your organization have a legal personality/identity separate from that of the state/ parent ministry?

Yes

No

10. If your organization has its own legal personality/ corporate status, is it vested in (**please select one option**)?

Public Law	O
Private Law (e.g. Company law)	O
Mixed/Hybrid (both elements of public and private law)	O

11. If your organization does not have its own legal personality separate from that of the state / parent ministry is your organization (**please select one option**)?

A component of a ministerial ministry	<input type="radio"/>
Independent (has some kind of independent status)	<input type="radio"/>
Other kind of affiliation (specify)	<input type="radio"/>

12. What ministry is the parent ministry of your organization, given the ties your organization has with the ministry for the execution of your tasks? (**Please select one or maximum two options**)

Ministry of Commerce and Textile Industry	<input type="radio"/>
Ministry of Communications	<input type="radio"/>
Ministry of Defence	<input type="radio"/>
Ministry of Defence Production	<input type="radio"/>
Ministry of Finance, Revenue, Economic Affairs and Statistics	<input type="radio"/>
Ministry of Foreign Affairs	<input type="radio"/>
Ministry of National Health Services, Regulations and Coordination	<input type="radio"/>
Ministry of Housing and Works	<input type="radio"/>
Ministry of Industries & Production	<input type="radio"/>
Ministry of Information, Broadcasting and National Heritage	<input type="radio"/>
Ministry of Information Technology and Telecommunication	<input type="radio"/>
Ministry of Kashmir Affairs & Gilgit Baltistan	<input type="radio"/>
Ministry of Law, Justice Law and Human Rights	<input type="radio"/>
Ministry of Interior and Narcotics Control	<input type="radio"/>
Ministry of Parliamentary Affairs	<input type="radio"/>
Ministry of Petroleum & Natural Resources	<input type="radio"/>
Ministry of Planning, Development and Reform	<input type="radio"/>
The Ministry of National Food Security & Research	<input type="radio"/>
Ministry of Ports & Shipping	<input type="radio"/>
Ministry of Railways	<input type="radio"/>
Ministry of Religious Affairs, and interfaith Harmony	<input type="radio"/>
Ministry of Science & Technology	<input type="radio"/>
Ministry of States & Frontier Regions	<input type="radio"/>
Ministry of Water & Power	<input type="radio"/>
Ministry of Inter-Provincial Coordination	<input type="radio"/>
Ministry of Overseas Pakistanis and Human Resource Development	<input type="radio"/>

13. What is policy field in which your organization operates? (**Please select one or maximum two options**)

General public services	<input type="radio"/>
Defence	<input type="radio"/>

Public order and safety	0
Economic Affairs	0
Environmental protection	0
Housing and community amenities	0
Health	0
Recreation, culture and religion	0
Education	0
Social protection	0
Any Other	0

14. What is the primary and secondary task of your organization? **(Please provide one answer per column)**

	Primary task	Secondary task
Advice and policy formulation (towards government and ministers)	0	0
Monitoring, regulation, inspection, supervision, ensuring compliance to rules (enforcement)	0	0
Payment or collection of money (benefits, fees and subsidies)	0	0
Registration, licensing, accreditation, and quality assessment	0	0
Tribunal, settling disputes, quasi-judicature, arbitration	0	0
Policing or guarding	0	0
Direct service delivery to citizens	0	0
information, education, training and research	0	0
Internal management support unit for government	0	0
Business and industrial activities	0	0
Other (please specify.....)	0	0

15. To what extent the following statements characterize the relationship of the organization towards the ministry?

	To a very great extent	To a great extent	To a moderate extent	To a little extent	No, not at all
The organization has mainly implementing tasks	0	0	0	0	0
The organization has tasks within the area of policy development	0	0	0	0	0
The organization can develop proposals for policy development	0	0	0	0	0

within area of responsibility					
The organization can independently negotiate with external actors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The expertise of organization is used by the ministry	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Autonomy of the organization

For the questions concerning autonomy listed below, please read the following guidelines:

- We need the assessment of the level of autonomy as the respondent *perceives* the organization to *have in-practice*
- We focus on the level of autonomy at *organizational* level (not of subdivisions of the organization) – what can the organization (incl. the governing board) decide itself with regards to management and policy?
- We focus on the *decision making competencies you perceive your organization to have, but NOT on the extent your organization actually use* (or have used) these decision making competences. For example: an organization may be allowed to take loans, but they may never use this decision making competence. In this example, the focus is on the ability to take loans.

Strategic and operational personnel management autonomy

16. Provided that the organization has its own staff, can your organization set in practice **general policy** for the organization without prior consent by ministers, ministries or president concerning most aspects of: **(please provide one answer for each row)**

	Yes for all staff	Yes for most staff	Yes for some staff	No
The level of salaries for groups of staff	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Conditions for promotions for group of staff	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Way of evaluating personnel for groups of staff	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Way of appointing personnel for groups of staff	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
General criteria of downsizing in the organization	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Set staff number (within budgetary limits)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

17. Provided that the organization has its own staff, can your organization decide in practice on the following without prior consent by ministers or ministries for individual members of staff? **(Please provide one answer for each row)**

	Yes for all staff	Yes for most staff	Yes for some staff	No
Increase wage of a specific employee	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Promote a specific employee	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Evaluate a specific employee	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Appoint a specific individual	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Discharge/ Dismiss a single employee	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Financial autonomy

18. Can your organization itself (**please provide one answer for each row** and “*From above*” means here: prior consent of the minister, parent ministry or other minister /ministry (like Minister/ Ministry of Finances))

	Yes fully and without rules or conditions set from above and without prior approval from the above	Yes , within rules or conditions set from above or with prior approval from the above	No
Take loans for investment	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Set tariffs for services or products	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Enter into agreements/contracts with private legal actors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Create a joint-venture with private companies /taking shares or participations in private companies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Shift between the budgets for personnel- and running cost	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Shift between the budgets for personnel or running costs on the one hand and investments on the other hand	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Shift between the budgets of different years	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

19. **Policy autonomy:** which of following statement is most valid?

19.1) Within the legal framework that applies, which actor makes the exact delineation/choice of the target group of the policy that your organization executes (**please provide one answer**):

Organization takes most of the decisions itself , minister/parent ministry is not involved in the decision making process and sets no restriction	<input type="radio"/>
Organization takes most of the decisions itself, minister/parent ministry is only slightly involved in the decision making process and sets only restrictions	<input type="radio"/>
Organization takes most of the decision itself , after having explicitly consulted the minister/parent ministry	<input type="radio"/>
Organization takes most of the decision itself under explicit conditions or restrictions set by the minister/parent ministry	<input type="radio"/>

The minister/parent ministry takes most of the decisions , after having consulted the organization	<input type="radio"/>
The minister/parent ministry takes most of the decisions , independently of the organization the organization	<input type="radio"/>
Neither the minister/ministry, nor the organization decides on the matter , since the involved legislation leaves no room for discretion on this matter	<input type="radio"/>

19.2. Within the legal framework that applies, which actor makes decisions concerning the fulfillment of the tasks (i.e. the way the tasks are implemented and the exact prioritization of activities within the tasks) that your organization executes (**please provide one answer**):

Organization takes most of the decisions itself , minister/parent ministry is not involved in the decision making process and sets no restrictions	<input type="radio"/>
Organization takes most of the decisions itself, minister/parent ministry is only slightly involved in the decision making process and sets only minor restrictions	<input type="radio"/>
Organization takes most of the decision itself , after having explicitly consulted the minister/parent ministry	<input type="radio"/>
Organization takes most of the decision itself , under explicit conditions or restrictions set by minister/ministry	<input type="radio"/>
The minister/parent ministry takes most of the decisions , after having consulted the organization	<input type="radio"/>
The minister/parent ministry takes most of the decisions, independently of the organization	<input type="radio"/>
Neither the minister/ministry , nor the organization decides on the matter, since the involved legislation leaves no room for discretion on this matter	<input type="radio"/>

20. Involvement of the organization in the policy process

To what extent are the following activities carried out by the organization (including regional or local units if these exist) or the ministry in charge(**please one answer for each row**)?

	Only by the ministry	Predominantly by the ministry	In equal shares by the ministry and the organization	Predominantly by the organization	Only by the organization	Does not apply

			on			
Answering of parliamentary questions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Preparing the minister/secretary of state for parliamentary meetings	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Providing other services to the minister/the secretary of the state	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Formulation of drafts laws or decrees	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Formulation of regulations, guidelines	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Enactment of regulations, guidelines	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Commenting on draft laws or decrees from other ministries	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Supporting political initiatives	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Implementation of decisions and policy measures	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Participation in negotiations at international level	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Drafting of strategies for the whole ministry's area of responsibility	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Evaluation/assessment/feedback regarding the effectiveness of policy programmes, laws, measures	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Steering and control of the organization

Important note: the goals referred to in the questions below are the strategic performance objectives at organizational level: i.e. the objectives that the organization has to achieve. These objectives concern aspects of performance, quality, efficiency or effectiveness. These objectives are other than the purely financial and budgetary objectives, that the organization has to achieve.

21. Involvement of organization in the setting of goals

Is your organization involved in the setting of these goals (other than purely financial goals) and to what extent is this mostly/predominantly the case (**please provide one answer**)

Our organization sets the goals itself	<input type="radio"/>
Our organization sets them having consulted political (e.g. minister) senior unit	<input type="radio"/>
Our organization sets them together with a political (e.g. minister) or an administrative senior unit(e.g. parent ministry) by a process of negotiation	<input type="radio"/>

A political or administrative senior unit(e.g. minster or parent ministry) does it after having consulted our organization	<input type="radio"/>
A political or administrative senior unit (e.g. minister or parent ministry) does it alone without consulting our organization	<input type="radio"/>

22. Documents in which goals of the organization are specified

Concerning the goals of your organization; in which documents are these specified and do these goals refer to measurable targets? **(more than one answer possible)**

	Yes containing measurable targets	Yes without measurable targets	No
Form of (quasi-)contract with parent ministry (e.g. covenant, performance agreements)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Establishment act or statute	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Subsidy document	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Budget allocation document/letter of allocation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Letter of regulation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Documents focusing on individual objectives for CEO	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Documents with only an internal purpose within organization specify....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other (please specify...)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

23. Kinds of indicator measured

To make goals measurable, indicators are used. What is measured with the indicators that are used?

	To a very great extent	To a great extent	To a moderate extent	To a little extent	No, not at all
Societal effects	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Quality of service delivery	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Quantitative output	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Use of resources	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Effects, quality or output in relation to resources	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

24. Use of indicators for steering and control

To what extent are the indicators used in the steering relation between the parent ministry and your organization as opposed to being used for internal organizational purposes? **(Please provide one answer)**

To a very great extent	To a great extent	To a moderate extent	To a little extent	No, not at all
○	○	○	○	○

25. If indicators are used to a large or some extent in relation between the organization and the parent ministry, how are they used? **(more than one answer possible)**

Basis for steering signals	○
Basis for future resource allocation	○
Check organizational accountability and goal attainment	○
Others (please specify...)	○

26. Reporting of attainment of goals and results

How frequently your organization reports results and achieved goals (refer to measurable targets) to political or the administrative senior unit? **(please provide only one answer).**

By monthly reports or more frequently	○
By reports every 2 to 4 months	○
By reports every half year	○
By yearly reports	○
By reports with a frequency of less of once a year	○
No reporting/not applicable	○

27. Who evaluates results

By whom the results or goal attainment (other than purely financial goals) of the organization evaluated? **(more than one answer possible).**

Organization itself	○
Parent department or minister	○
Third parties by order of the organization	○
Third parties by order of the parent ministry/minister	○
Others	○

Nobody	0
--------	---

28. Sanctions and rewards

Are there rewards in case of good results or the achievement of the goals or targets for organization?

- To a very high degree
- To a high degree
- To a certain degree
- To a low degree
- Not at all

Are these rewards (**more than one answer possible**)

	Not used	Used, but of little importance	Used, of some importance	Used and of great importance	Used and of very great importance
Wage increase or bonus for manager or other personnel member	0	0	0	0	0
Increase resource allocation	0	0	0	0	0
Greater autonomy for the organization	0	0	0	0	0
Other (please specify...)	0	0	0	0	0

29. Are these sanctions in case of bad results or the failure to achieve the goals or targets?

- To a very high degree
- To a high degree
- To a certain degree
- To a low degree
- Not at all

Are these sanctions (**more than one answer possible**)

	Not used	Used, but of little importance	Used, of some importance	Used and of great importance	Used and of very great importance
Wage decrease or bonus reduction for manager or other personnel member	0	0	0	0	0
Decreased resource allocation	0	0	0	0	0

Less autonomy for the organization in relation to senior politico-administrative units	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Restructuring or abolishment of the organization	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other (please specify...)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

30. Regular internal or external audit, actors and focus

Is your organization subject to a regular audit/inspection/scrutiny and who performs these regular audits (more than one answer possible)

No, our organization is not subject to a regular audit	<input type="radio"/>
Yes , we do it ourselves (internal)	<input type="radio"/>
Yes, we contract other to do it	<input type="radio"/>
Yes , by another unit of the executive government	<input type="radio"/>
Yes , by a court of audit linked to the parliament does it	<input type="radio"/>
Yes, by other actors commissions by the oversight authorities (please specify)	<input type="radio"/>

31. On what issues is the content of these audits /inspection/scrutiny predominantly focused? Please tick the relevant boxes. (More than one answers possible)

	Financial issues	Performance and general organizational results	Legality and rule compliance	Internal control systems	Others	Not applicable
Internal audit by ourselves	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
By other actors contracted by us	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
By other unit of executive government	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
By the court of audit	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
By other actors commissioned by the government	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

32. Ad hoc audits and specific inquiries

Has your organization been subjected to an ad hoc (non- routine) audit or specific inquiry within the last five years (more answers possible)?

No, our organization is not subject to a ad hoc audit	<input type="radio"/>
Yes , we did it ourselves (internal)	<input type="radio"/>
Yes, we contracted other to do it	<input type="radio"/>
Yes , by another unit of the executive government	<input type="radio"/>
Yes, by the office of the Auditor General	<input type="radio"/>
Yes, by other actors commissions by the oversight authorities (please specify...)	<input type="radio"/>

33. On what issues was the content of the ad hoc audits or specific inquiry predominantly focused? (More than one answers possible)

	To a very great extent	To a great extent	To a moderate extent	To a little extent	No, not at all
On Financial Issues	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
On general organizational results	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
On legality and rule compliance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
On internal control systems	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Of other kind (specify...)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Structural control

34. Does your organization have a governing board?

Yes , with decision making competences and responsible for overseeing the direction and delivery of the organizations performance	<input type="radio"/>
Yes, with solely an advisory function	<input type="radio"/>
No	<input type="radio"/>

35. Presence of advisory board?

Does your organization have an advisory board?

Yes No

36. Who appoints board members?

In case your organization has a governing board, by whom or which actor is it appointed (are the members appointed)?

By the government or minister	<input type="radio"/>
By the government or minister after nomination by or consultation of the organization (i.e. management or employees)	<input type="radio"/>
By the general council of organization (in case of company meeting of shareholders, general assembly)	<input type="radio"/>
By the government or minister after nomination by or consultation of interest groups and/or stakeholders of the organization	<input type="radio"/>
By the parliament after nomination by minister or government	<input type="radio"/>
By another actor (specify)	<input type="radio"/>

37. Composition of board

If there is a (governing) board in your organization, how many board members are there from the following groups with voting rights?

	Number of these representatives
Central Government representative	
Other Governmental representatives	
Representatives of employee organizations (labor unions)	
Representatives of employer organizations	
Representatives of stakeholders (e.g. interest groups, Client groups)	
Representatives of employees of the organization	
Independent experts	
The top management of the organization	
Representative of private shareholders (in case of a company with shareholders)	
Other (please specify...)	

38. Appointment of CEO

By whom or which actor is the CEO of the organization appointed?

By the government or minister	<input type="radio"/>
By the government or minister after nomination by or consultation of the organization (i.e. management or employees)	<input type="radio"/>

By the general council of organization (in case of company meeting of shareholders, general assembly)	○
By the government or minister after nomination by or consultation of interest groups and/or stakeholders of the organization	○
By the parliament after nomination by minister or government	○
By another actor (specify)	○

39. Type of contract of CEO

On what type of contract is the CEO appointed?

Permanent position/contract

Fixed term contract

40. Who evaluates the CEO

By whom or what actor is the performance of the CEO formally and regularly evaluated with regards to (the achievement of) objectives set for him personally? (**more than one answer possible**)

Government or minister	○
Governing board of the organization	○
Parliament (and its committees)	○
Other (please specify...)	○
The CEO is not evaluated	○

41. Basis of accountability for CEO

On what basis, on what ground is the CEO of the organization accountable to the oversight authority? (**More than one option is possible**)

	To a very great extent	To a great extent	To a moderate extent	To a little extent	No, not at all
Results and goal achievement	○	○	○	○	○
General functioning of the organization	○	○	○	○	○
Administration of financing, budgeting and accounting	○	○	○	○	○
Legality or compliance to rules, regulations and precepts	○	○	○	○	○
Other (specify)	○	○	○	○	○

Control by formal and informal contact

42. Frequency of formal contact/number and focus of steering meetings

How many times does the senior management of your organization have formal contact with the responsible political and/or administrative superiors (minister/parent ministry)?

Once or more a week	<input type="radio"/>
Once or more a month	<input type="radio"/>
Trimestrial	<input type="radio"/>
Twice a year	<input type="radio"/>
Once a year	<input type="radio"/>
Less than once a year	<input type="radio"/>
Never	<input type="radio"/>
Not relevant	<input type="radio"/>

43. Frequency of informal contact

How many times does the senior management of your organization have informal contact with the responsible political or administrative superiors?

Once or more times a week	<input type="radio"/>
Once or more times a month	<input type="radio"/>
Trimestrial	<input type="radio"/>
Twice a year	<input type="radio"/>
Once a year	<input type="radio"/>
Less than once a year	<input type="radio"/>
Never	<input type="radio"/>
Not relevant	<input type="radio"/>

Appendix D: Interview Guide for Agency Officials

The interview will initiate with an opening question such as, ‘this research is about understanding autonomy and control of agencies in Pakistan. Could you please tell me how this works for your organization? The remaining session will revolve around these main questions. However, the order of questions may vary depending upon the response from the interviewee. Also note that some of the questions may have not been asked from every interviewee.

1. Do you think that the legal status of your organization provides you insulation from your ministry/ministers/other government authorities in HRM, financial and policy matters? If no, then which actors influence the HRM and financial decisions?

Questions on HRM and policy autonomy/control

2. Who decides the HR related issues, for instance, what should be the level of salaries for your employees, their hiring procedure, promotion criteria, evaluation, size of staff, downsizing decisions.
3. Who decides above stated HR matters at the individual staff level?
4. How much autonomy does your organization have in financial matters, such as to take loans for investment, Set tariffs for services or products, enter into agreements/contracts with private legal actors, create a joint-venture with private companies /taking shares or participations in private companies, shift between the budgets for personnel- and running
5. Is your organization involved in policy formulation?
6. Concerning the goals of your organization/Are your goals documented? If yes, in which documents are these specified and do these goals refer to measurable targets?
7. By whom the results or goal attainment (other than purely financial goals) of the organization are evaluated?
8. Are there rewards in case of good results or the achievement of the goals or targets for your organization? If yes, then in what form? E.g. increase/decrease in salary, greater /reduced autonomy, increase/decrease in resource allocation?

Effect of socio-cultural and politico-administrative factors on autonomy

9. Can you identify/name the dominant forces or actors in our society you consider to influence the internal management of your organization?
10. How does the ministry, government, establishment, military, supreme judiciary bodies, regulatory bodies, client groups, ministers, auditors or any societal force affect the autonomy? or
11. Which organization influences in some way the decisions (concerning direction and strategy) made by your organization and to what extent? For instance, the parliament, ministry, federal minister, courts, establishment, auditor general, etc.
12. Role/influence of the general public, mass/social media and any other interest groups on autonomy?
13. Role or influence of constitutional reforms, such as 18th amendment?
14. Effect of our legal system on autonomy? Provide an example of the way the Supreme Court is currently intervening in all the major decisions of the public institutions, such as in dismissal and appointments of agency personnel/heads. Secondly in various HR issues, such as determination of salaries, and also in tariff setting of products and services offered by the agencies.
15. Whether the actual scenario is contingent upon the conditions prevalent, to name a few; task assumed by the organization, its political salience, regional affiliation of the political heads, appointments of

ex-military personnel as agency heads and associated cultural norms, as well as external networks and their influence.

16. Identify the role of political agents in managing agencies; relationship between bureaucrats and politicians, appointment of agency heads? How political patronage effects agencies autonomy?
17. Relationship between the agency and its overseeing ministry/minister/division.
18. Nature of hierarchical coordination between them.
19. Nature of informal contact between agency personnel and other higher authorities
20. Role and influence of transnational organizations/consultants on agency decisions? Directly or through government?

Appendix E: Interview Guide for Ministry Officials/Experts

Each interview began with a formal introduction of the researcher, followed by the purpose of the study and their views on the topic under study. Also note that some of the questions may have not been asked from every interviewee

1. Do you think that the legal status of the federal agencies (units of the government, semi-autonomous, autonomous and attached departments) provides them insulation from their ministry/ministers/other government authorities in HRM, financial and policy matters? If no, then which actors influence the HRM and financial decisions?
2. Do you think that when the government creates separate legal organizations to carry out specialized tasks like general public service, regulation, business and industrial tasks, or policy advisory task, it curtails political control over them?
3. Is it true that the level of control by oversight government authority depends on the legal status of the organization working under it? E.g. If it is a unit of the government, semi-autonomous, autonomous body or attached department.
4. Do you think that agencies having governing boards are more autonomous than those without a board and directly supervised by the ministry?
5. When federal government representatives are members of the governing boards of agencies, don't you think they can influence its decisions and act as a constraint to managerial decisions?
6. What sort of balance should prevail between managerial and policy .autonomy versus political control of agencies?
7. Do you think that ministerial control varies with the type of task an agency performs? E.g are regulatory bodies less prone to political control? Which type of agencies are more politically controlled, larger agencies, politically salient (those in health, education, energy or security sectors) or agencies with big budgets?

Questions on HRM and policy autonomy/control

8. Do you provide the organizations working under you autonomy to take strategic level decisions related to human resource management, for instance, what should be the level of salaries for their employees, their hiring procedure, promotion criteria, evaluation, size of staff and downsizing decisions.
9. Does your overseeing authority allow the agency personnel to decide above stated HR matters at the individual staff level?
10. How much autonomy does your authority provide to organization/organizations working under you in financial matters, such as to take loans for investment, Set tariffs for services or products, enter into agreements/contracts with private legal actors, create a joint-venture with private companies /taking shares or participations in private companies, shift between the budgets for personnel- and running
11. Are the organizations under your ministry/authority involved in policy advice and formulation? Or are they just policy implementers?
12. Does the organization you oversee have goals which are documented? If yes, in which documents are these specified and do these goals refer to measurable targets?
13. By whom the results or goal attainment (other than purely financial goals) of the organization are evaluated?
14. Does your overseeing authority grant rewards in case of good results or the achievement of the goals or targets to the organization you oversee? If yes, then in what form? E.g. increase/decrease in salary, greater /reduced autonomy, increase/decrease in resource allocation?

Effect of socio-cultural and politico-administrative factors on autonomy

15. Can you identify/name the dominant forces or actors in our society you consider to influence the internal management of federal organizations working under ministries?
16. How does the ministry, government, establishment, military, supreme judiciary bodies, regulatory bodies, client groups, ministers, auditors or any societal force affect the autonomy?
17. Role/influence of the general public, mass/social media and any other interest groups on autonomy of organizations you oversee?
18. Role or influence of constitutional reforms, such as 18th amendment?
19. Effect of our legal system (judicial oversight) on autonomy of public agencies? Provide an example of the way the Supreme Court is currently intervening in all the major decisions of the public institutions, such as in dismissal and appointments of agency personnel/heads. Secondly in various HR issues, such as determination of salaries, and also in tariff setting of products and services offered by the agencies.
20. Whether the actual scenario is contingent upon the conditions prevalent, to name a few; task assumed by the organization, its political salience, regional affiliation of the political heads, appointments of ex-military personnel as agency heads and associated cultural norms, as well as external networks and their influence.
21. Identify the role of political agents in managing agencies; relationship between bureaucrats and politicians, appointment of agency heads? How political patronage affects agencies autonomy?
22. Relationship between the agency and its overseeing ministry/minister/division.
23. Nature of hierarchical coordination between them.
24. Nature of informal contact between agency personnel and other higher authorities
25. Role and influence of transnational organizations/consultants on agency decisions? Directly or through government?

Appendix F: Themes and Sub-themes of the Interview Data.

Operational human resource management autonomy

- Autonomous Board
 - Authority to hire/terminate
- Promote and evaluate employees
- Individual employees salary

Strategic human resource management autonomy

- Recruitment procedure
 - No recruitment autonomy
 - Government approval
 - Government procedure
- Termination rules
 - Internal rules
 - Ministry approves
- Salary determination
 - Government determines
- Promotion and evaluation criteria
 - Board approves
- Size of the staff determination
 - Board
 - Senior management
 - Agency creates a post, board approves

1. Financial Autonomy

- Tariff determination
- Loan acquisition
- Board decision
- Joint ventures/contracts
 - Government approves foreign MOU's
 - Government in loop
- Budget shifting
 - Board empowered
 - Government rules.
 - Budget source

2. **Policy formulation**

- Policy advice
- Boards policy directives

Appendix G: United Nations Classification of Functions of Government (COFOG)

1. General public services

1.1 - Executive and legislative organs, financial and fiscal affairs, external affairs

1.2 - Foreign economic aid

1.3 - General services

1.4 - Basic research

1.5 - R&D General public services

1.6 - General public services n.e.c.

1.7 - Public debt transactions

1.8 - Transfers of a general character between different levels of government

2. Defense

2.1 Military defense

2.2 Civil defense

2.3 Foreign military aid

2.4 R&D Defense

2.5. Defence n.e.c.

3. Public order and safety

3.1 Fire-protection services

3.2 Law courts

3.3 Prisons

3.4 R&D Public order and safety

3.5 Public order and safety n.e.c.

3.6 Police services

4. Economic affairs

4.1 General economic, commercial and labor affairs

4.2 Agriculture, forestry, fishing and hunting

4.3 Fuel and energy

4.4 Mining, manufacturing, and construction

4.5Transport

4.6 Communication

4.7 Other industries

4.8R&D Economic affairs

4.9 Economic affairs n.e.c.

5. Environmental protection

5.1Waste management

5.2Wastewater management

5.3Pollution abatement

5.4 Protection of biodiversity and landscape

5.5R&D Environmental protection

5.6Environnemental protection n.e.c.

6. Housing and community amenities

6.1Housing development

6.2Community development

6.3 Water supply

6.4 Street lighting

6.5R&D Housing and community amenities

6.6 Housing and community amenities n.e.c.

7. Health

7.1Medical products, appliances, and equipment

7.2Outpatient services

7.3 Hospital services

7.4 Public health services

7.5 R&D Health

7.6 Health n.e.c.

8. Recreation, culture, and religion

8.1 Recreational and sporting services

8.2 Cultural services

8.3 Broadcasting and publishing services

8.4 Religious and other community services

8.5 R&D Recreation, culture, and religion

8.6 Recreation, culture and religion n.e.c.

9. Education

9.1 Pre-primary and primary education

9.2 Secondary education

9.3 Post-secondary non-tertiary education

9.4 Tertiary education

9.5 Education not definable by level

9.6 Subsidiary services to education

9.7 R&D Education

9.8 Education n.e.c.

10. Social protection

10.1 Sickness and disability

10.2 Old age

10.3 Survivors

10.4 Unemployment

10.5 Housing

10.6 Social exclusion n.e.c.

10.7 R&D Social protection

10.8 Social protection n.e.c.

Appendix H: Descriptive Statistics

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
current year (2008) - year of set-up	145	1	88	28.97	19.236
year of the survey	145	2012	2017	2013.48	2.292
number of FTE	143	0	85000	3412.12	11446.160
Budget in Million Rupees	141	0	188000	5079	20169
level of salaries policy: 1: Yes for all staff; 0,66; 0,33; 0: No	145	.00	1.00	.4920	.39644
conditions for promotions policy: 1: Yes for all staff; 0,66: Yes for most staff; 0,33: Yes for some staff; 0: No	145	.00	1.00	.4847	.36591
(To set general policy for the organization)	145	0	1	.80	.401
conditions for evaluation? conditions for evaluation: 1: Yes for all staff; 0,66: Yes for most staff; 0,33: Yes for some staff; 0: No	145	.00	1.00	.5806	.34990
personnel appointment policy: 1: Yes for all staff; 0,66: Yes for most staff; 0,33: Yes for some staff; 0: No	145	.00	1.00	.5254	.33644
downsizing policy: 1: Yes for all staff; 0,66: Yes for most staff; 0,33: Yes for some staff; 0: No	145	.00	1.00	.3450	.35232
level of specific employee salary: 1: Yes for all staff; 0,66: Yes for most staff; 0,33: Yes for some staff; 0: No	145	.00	1.00	.3110	.36401
specific employee promotion: 1: Yes for all staff; 0,66: Yes for most staff; 0,33: Yes for some staff; 0: No	145	.00	1.00	.4112	.33558

specific employee evaluation: 1: Yes for all staff; 0,66: Yes for most staff; 0,33: Yes for some staff; 0: No	145	.00	1.00	.5992	.33650
specific employee appointment: 1: Yes for all staff; 0,66: Yes for most staff; 0,33: Yes for some staff; 0: No	145	.00	1.00	.4524	.34809
dismiss single employee: 1: Yes for all staff; 0,66: Yes for most staff; 0,33: Yes for some staff; 0: No	145	.00	1.00	.3449	.33893
take loans: 0: no; 0.5: within condition set from above; 1: yes, without conditions	145	.00	1.00	.1483	.27716
set tariffs: 0: no; 0.5: within condition set from above; 1: yes, without conditions	145	.00	1.00	.3759	.38429
shift personnel and running cost budgets: 0: no; 0.5: within condition set from above; 1: yes, without conditions	144	.00	1.00	.3194	.37216
shift personnel-running cost and investments budgets: 0: no; 0.5: within condition set from above; 1: yes, without conditions	144	.00	1.00	.1979	.33564
choice of target groups: 99: nor parent ministry nor organization, 0: parent ministry, 0.2: parent ministry after consultation; 0.4 organization under conditions; 0.6: organization after consultation; 0.8 organization with minor restrictions; 1: yes	143	.00	1.00	.6979	.24537

fulfillment of tasks: 99: No; 0: parent ministry; 0,20: parent ministry after consultation; 0,40: organization under restrictions; 0,60: organization after consultation; 0,80: organization with minor restrictions; 1: organization without minister	142	.00	1.00	.7732	.23608
goals specified in CONTRACTS: 0: no; 0.5 without indicators; 1: with indicators	144	.00	1.00	.1181	.31282
goals specified in STATUTE: 0: no; 0.5 without indicators; 1: with indicators	144	.00	1.00	.2431	.39217
goals specified in SUBSIDY DOC: 0: no; 0.5 without indicators; 1: with indicators	144	.00	1.00	.0799	.24138
goals specified in BUDGET of allocations: 0: no; 0.5 without indicators; 1: with indicators	144	.00	1.00	.3646	.47015
goals specified in REGULATION: 0: no; 0.5 without indicators; 1: with indicators	144	.00	1.00	.1076	.29067
goals specified in CEO OBJECTIVES DOC: 0: no; 0.5 without indicators; 1: with indicators	144	.00	1.00	.4167	.48038
goals specified in INTERNAL DOC: 0: no; 0.5 without indicators; 1: with indicators	144	.00	1.00	.5347	.48275
goals specified in OTHER DOC: 0: no; 0.5 without indicators; 1: with indicators	144	.00	1.00	.1354	.33564

frequency: 0: never; 0.2 less than one per year; 0.4 yearly; 0.6 every half year; 0.8 every 2 or 4 months; 1: monthly	145	.00	1.00	.7241	.25720
central government voting number	144	0	19	2.97	3.205
central government voting share	144	.00	100.00	27.4861	27.64990
other governmental representatives voting number	144	0	39	1.14	3.671
other governmental representatives voting share	144	.00	92.80	7.5767	15.83833
labor unions representatives voting number	144	0	3	.06	.378
labor unions representatives voting share	144	.00	33.33	.5724	3.82880
employer organizations representatives voting number	144	0	14	.38	1.697
employer organizations representatives voting share	144	.00	63.63	2.1642	7.54929
stakeholders representatives voting number	143	0	58	.97	5.060
stakeholders representatives voting share	144	.00	89.00	4.8616	13.70335
employees of the organization representatives voting number	144	0	13	.40	1.415
employees of the organization representatives voting share	144	.00	71.42	3.1847	9.58334
independent experts voting number	144	0	9	.84	1.854
independent experts voting share	144	.00	75.00	6.6382	14.59614

top management representatives voting number	144	0	15	1.49	2.634
top management representatives voting share	144	.00	100.00	14.3235	23.34813
private shareholders representatives voting number	144	0	19	.48	2.085
private shareholders representatives voting share	144	.00	100.00	3.4871	13.67146
other groups representatives voting number	144	0	20	.43	2.094
other groups representatives voting share	144	.00	66.66	2.8669	11.49252
results accountability: 0: no; 0,25; 0,5; 0,75; 1: to a very great extent/fully agree	140	.00	1.00	.7911	.31396
general functioning accountability: 0: no; 0,25; 0,5; 0,75; 1: to a very great extent/fully agree	140	.00	1.00	.7018	.32144
financial accountability: 0: no; 0,25; 0,5; 0,75; 1: to a very great extent/fully agree	140	.00	1.00	.6357	.36895
legal accountability: 0: no; 0,25; 0,5; 0,75; 1: to a very great extent/fully agree	140	.00	1.00	.5786	.41778
other accountability: 0: no; 0,25; 0,5; 0,75; 1: to a very great extent/fully agree	140	.00	1.00	.0696	.24375

frequency of formal contacts: 0: not relevant; 0.14 never; 0.28 less than once a year; 0.42 yearly; 0.56 twice a year; 0.70 trimestral; 0.84 monthly; 1 weekly	142	.00	1.00	.7569	.25316
frequency of informal contacts: 0: not relevant; 0.14 never; 0.28 less than once a year; 0.42 yearly; 0.56 twice a year; 0.70 trimestral; 0.84 monthly; 1 weekly	141	.00	1.00	.7465	.30854

Appendix I: Legal type of agency

Legal type of agency	n (%)	N
AB (Autonomous Body)	83 (57.2)	156
AD (Attached Department)	20 (13.8)	116
CB(Corporate body)	6 (4.1)	11
Chtd.PSI (Chartered Public Sector Institute)	1 (0.7)	1
COE (Centre of Excellence)	1 (0.7)	4
JV (Joint Venture)	1(0.7)	7
PLC (Public Limited Company)	8 (5.5)	16
PnP (Part & Parcel)	2 (1.4)	13
Pvt Ltd (Private Limited Company)	2 (1.4)	5
SA (Semi-Autonomous)	13 (9.0)	15
SO (Sub-Ordinate Office)	7 (4.8)	37
Wing	1 (0.7)	3
Total agencies	145(100)	384

Although the total number of federal agencies is reported to be 438 as per the NCGR document, but some of the agencies have duplicate and regional offices which are not made a part of the above total number of 384 agencies.

Appendix J: Summary/Abstract of Thesis (in Dutch)

Nederlandse samenvatting

Met de toename van het aantal onafhankelijke uitvoeringsorganisaties in de publieke sector in zowel ontwikkelde als ontwikkelingslanden, ontstaat de noodzaak om de onderliggende dynamiek en uitdagingen van het managen van dergelijke organisaties op afstand te evalueren. Deze studie onderzoekt de verschillende dimensies en daaraan gerelateerde niveaus van autonomie en controle bij federale agentschappen van Pakistan zoals die worden waargenomen door diens belangrijkste werknemers en de ambtenaren van het overkoepelende ministerie. Dit onderzoek ontrafelt het fenomeen van agentschapsvorming in Pakistan en bespreekt de oprichting en het bestuur van agentschappen in de specifieke lokale context. Ook beoordeelt het in welke mate generieke theoretische verklaringen in combinatie met specifieke lokale contextuele factoren de autonomie van agentschappen in Pakistan vorm geven. De studie draagt bij aan het debat over agentschappen – dat op mondiaal niveau wordt gevoerd in ontwikkelde, ontwikkelings- en overgangseconomieën – door argumenten te geven voor een context-specifiek ontwerp voor overheidsstructuren. Met behulp van een sequentieel verklarend onderzoeksdesign zijn in twee fasen data verzameld. In de eerste fase is een vragenlijst uitgezet bij de bestuurders van federale agentschappen in Pakistan die is gebaseerd op soortgelijke vragenlijsten die in verschillende Europese COST-CRIPO-landen zijn afgenomen. De survey is in twee ronden uitgezet. In de tweede fase zijn vervolgens semi-gestructureerde diepte-interviews afgenomen met twee verschillende categorieën respondenten: de hoogste leidinggevenden bij federale agentschappen en verantwoordelijke ambtenaren bij de ministeries. De onderzoeksresultaten tonen aan dat de oprichting van autonome agentschappen geen volledige autonomie of minimale overheidscontrole garandeert, omdat nauwe en informele banden tussen politieke vertegenwoordigers (ministers) en de bestuurders van agentschappen een sterk effect hebben op de feitelijke autonomie van die agentschappen. Wel blijkt uit de gegevens dat de politieke invloed op autonome agentschappen relatief geringer is dan op traditioneel gecentraliseerde overheidsinstanties. Daarnaast heeft de lokale context een verklarende kracht voor het functioneren en de feitelijke autonomie van Pakistaanse agentschappen. Op basis van de empirische gegevens concludeer ik dat het proces van agentschapsvorming in Pakistan wordt beïnvloed door het traditionele systeem van prestatie management, hiërarchische verantwoording en een gepolitiseerde omgeving, aangezien het overkoepelende ministerie vasthoudt aan zijn conventionele rol van controle. De feitelijke verhoudingen worden sterk bepaald door de bijzondere kenmerken van politiek en bestuur in Pakistan.

Appendix K: Researchers CV

Aisha Rizwan was born in Lahore. In 1988, she did her Bachelors in Social Sciences from Kinnaird College for Women Lahore and later on in 1996 studied Master's in Public Administration at University of the Punjab, Lahore. She was awarded with a gold medal for securing highest GPA in her session. After completing her master's degree she worked as an Assistant Brand Manager (Consumer Products Division and Industrial Division), at PACKAGES LTD; a packaging company in Lahore, Pakistan. In May, 2005, she joined the Institute of the Administrative Sciences, University of the Punjab as a lecturer of Marketing. During her lecturership she pursued Master of Philosophy in Management at the University of the Punjab, Lahore and was awarded roll of honor in MPhil for achieving excellent academic performance and attaining a CGPA of 3.95. During this period, she worked as a project coordinator on a research project on Governance and Management of Public Sector Organizations in Pakistan, in collaboration with COBRA network of European Group of Public Administration. She also presented a paper on "Agencification in Pakistan: A comparative study of regulatory and service delivery agencies" at the European Group of Public Administration (EGPA) conference in Toulouse, France, in September 2010. Aisha as a co-author also contributed a chapter on Pakistan in the book titled, "Government Agencies: Practices and Lessons from 30 countries, published by Palgrave Macmillan, U.K. in 2012. She also undertakes thesis supervision of graduate and post graduate students of the University of the Punjab and has recently been appointed as student advisor for all the programs. She is also the convener of the events management committee at IAS and a member of multiple other institutional committees formed for financial planning and curriculum review purpose. In September 2015, Aisha joined the Utrecht University School of Governance as a doctoral researcher in the discipline of Public Management. During her PhD trajectory, she published and presented her research work in academic journals (Journal of the Research Society of Pakistan and Journal of Political Studies) and International conferences. She is also a member of the Board of Studies for Department of Public Administration at Lahore College for Women University, Lahore and the Institute of Administrative Sciences, University of the Punjab, Lahore.