

**Nota Penyelidikan/Research Note**

**Administrative Reform in Guilan Province, Iran: An  
Analysis of Advantages and Shortcomings**

MOHAMMAD REZA AZADEHDEL & RASHILA RAMLI

ABSTRAK

*Makalah ini bertujuan mengkaji keberhasilan reformasi pentadbiran dari perspektif pengurus yang berkhidmat di agensi kerajaan di Daerah Guilan, Iran. Agensi di daerah menjadi pilihan kerana mempunyai kadar kejayaan yang agak membanggakan dalam usaha reformasi pentadbiran ke arah peningkatan produktiviti. Jangka masa kajian ialah di antara 2005-2008. Kajian dijalankan dengan menggunakan instrumen survei yang meliputi Pelan Pembangunan Iran yang Kedua dan Ketiga. Seramai 314 pengurus agensi awam telah memberi maklumbalas tentang pencapaian objektif reformasi Pentadbiran tersebut. Hasil kajian menunjukkan bahawa peranan yang dimainkan oleh Majlis Perancangan dan Pembangunan Guilan, penyertaan awam dalam aktiviti awam serta kebolehan untuk mengekalkan pekerjaan tidak mencapai tahap yang membanggakan. Walau bagaimanapun, objektif reformasi struktural dan pembangunan sumber manusia mencapai tahap yang memuaskan. Umumnya pencapaian reformasi struktural berbanding pembangunan sumber manusia lebih memberangsangkan kerana jangka masa yang lebih lama diperlukan untuk merealisasikan objektifnya.*

*Kata kunci: reformasi pentadbiran, pelan pembangunan, pengurus awam, Pembangunan Sumber Manusia, Iran*

ABSTRACT

*The purpose of this paper is to explore administrative reform outcomes in state organisations in terms of public managers' perspective as reform executives in Guilan Province of Iran. Guilan Province has been selected as research site of this study because it is one of a few successful provinces in Iran that participated in administrative Reform Program, and productivity movement. This study was conducted from 2005 to 2008. The assessment was completed using a multi scale survey based on the Second and the Third Development Plan of Iran. A total of 314 public managers stated their perspective about reform efforts during the Plans. As reform executives managers in different level rated the extent of*

*reform objectives' performance. The objectives such as the role of Development and Planning Council in Guilan province, public participation in public activities, and attraction and retaining the experts and professionals did not fare well in the Development Plans. Managers believe that the objectives of human resources development and structural Reorganisation have been generally achieved. Nevertheless, there is a considerable gap between actual results and stated objectives of the Plans. Furthermore, public managers pointed out that programs associated with the structural reform dimension has been more successful than plans implemented within human resources development dimension.*

*Keywords: administrative reform, development plans, public managers, Human Resource Development, Iran*

## INTRODUCTION

Global competitiveness has forced governments to examine their operations for the purpose of making process improvements. These improvements generally involve better utilisation of resources, and specifically a focus on higher quality levels of human resources, organisational structure, budget, and technologies to achieve more productive advantages. To better understand the implications of this process, a revisit of Alvin Toffler's best selling futuristic book, *The Third Wave* is in order (Roukis 2006). According to Farazmand (2001), under the direct influence of globally dominant superpower countries, such as the United States and other Western countries, the World Bank, the International Monetary Fund (IMF), and the World Trade Organization (WTO) have forced almost all less developed countries to structurally adjust their governments and administrative systems. That adjustment has led to new global trends that promote globalization and enhance the power and profit of globalizing corporate elites. Such plans apply for liberalization and adoption of market oriented economy. Because of economic struggles and international pressures to balance national policies with global perspectives, most governments of developing countries were called to reform their public sector, administration, and general expenditures including the continually growing administrative and civil service (Mangué 2002) This brought about the adoption of the structural adjustment in public administration, and human resources management improvement where government made impressive strides in privatising and downsizing the public service and decreasing public employees. Apart from that reform efforts, Reorganisation is always necessary to improve the administrative system. Iran's public administration is an example of administrative reform motivated by internal changes as well as external factors.

The main concern of reform efforts in public organisations at central and local levels of governance during the implementation of the three Development Plans in Iran was the priority given to the Structural Reorganisation and Human Resources Management transformation. The reason was that policy makers considered that such program and its effective performance is the main channel to improve the productivity of state organisations and administrative system in Iran. Monavvarian (2004) believes that Reform Program's priority was given to the structural reform, especially in the First and the Second Development Plans where administrative reforms were proposed to achieve comprehensive changes. The main objective was to improve the efficiency and responsiveness of public sector organisations. Hence, the main focus of this paper is to explain administrative reform outcomes in terms of human resources management and structural Reform Program in Guilan Province of Iran.

#### ADMINISTRATIVE REFORM AND REORGANISATION IN IRAN

Reorganisation and reform of administrative systems are among the most frequent and most expensive activities that governments have undertaken since the earliest times (Farazmand 2001). In Iran, various administrative and public reforms aimed at improving government capacity have been initiated to improve the services provided by public agencies in order to achieve productivity in production goods and service delivery for the whole country.

Farazmand (2001) believes that reorganisation and reform efforts are usually carried out for a variety of political and administrative reasons, but often these reasons have major social and economic consequences beyond the governing elite's control. He argues that reform can be seen as an alternative to violent revolution in countries. As Saint Simon has said "... since we know we are living in an era of transformation, we have decided to prepare a plan to make this passage as fast as peaceful and as easy as possible..." (Heady 1991) Such a plan in Iran is called The Socioeconomic and Cultural Plan. Islamic Republic of Iran is among one of the Middle East countries advocating reform and reorganisation. It is a distinguished and pioneer model to change the monarchy to the Islamic Republic form of governance. Heady (1991) mentioned that, "... among historical differences from most of the Middle East, Iran experiences in diplomacy as an independent power, which have been of aid both to the monarchy and to the Islamic Republic..."

Monavvarian (2004) stated that in terms of its commitment, the Iranian government's attention to administrative reform started from the early months of the 1979 revolution's victory. In this sense, after revolution in 1980, a new administrative organ known as The State Organization for Administration and Employment Affairs was given the ambitious mandate to revitalise the public service in Iran. Critical changes took place in the public administration areas

after Islamic Revolution of 1979, such as organisational relation, governmental decisions, and ownership in different economic activities of country. For instance, under the former Pahlavi regime, the public administration culture had been elitist in the sense that all major governmental and national important decisions were made by the Shah, and his key ministers. Therefore, most of the population acquiesced in this approach to politics. Revolution in contrast, brought about a new administration culture, called populist political culture. The principal characteristic of this culture is the pervasive feeling that the state is obligated to ensure social justice and that every citizen should participate in politics.

The transformation of public administration culture is attributed much to the charisma of the founder of the Islamic Revolution, Imam Khomeini. He was determined not only to overthrow the monarchy, but also to replace it with a new society that derive its values from Islam. According to Chapin Metz (1987), Imam Khomeini believes that, the long term success of such an ideal Islamic Government is dependent on the commitment and involvement of the masses.

The Islamic Republic of Iran possesses public administration characteristics that distinguish the country from the common pattern of liberal and socialist governments. The majestic teachings of Islam should be manifested in the creation of a responsible administrative system and statesmen charged with the development and growth of the country. Therefore, despite all difficulties that domestic and foreign factors have created, Iran has succeeded in carrying out development plans in some areas of the public sector. In terms of transformation, Aras (2001) looks at the political history of the Islamic revolution within three distinct periods. The first period can be referred to as the 'First Republic' or the period of revolutionary Islam, from 1979 to 1988. The second period, from 1988 to 1997, is known as the 'Second Republic' or the reconstruction period. Finally, the 'Third Republic' or the period of searching for a more open society and reform began with the election of Mohammed Khatami in 1997. In the economic realm, Iran has its own characteristics that influence public administration. According to reports by the Energy Information Administration (Country Analysis Brief 2006), Iran's economy relies heavily on oil export revenues, with such revenues representing around 80-90 percent of total export earnings and 40-50 percent of the Government budget.

To accomplish reform, policy makers and leaders initiated an amendment to the Constitution of Iran. The Constitution concentrated the executive powers in the hands of the President. Hence, the responsibilities of administration and civil service affairs, as well as planning and budgeting were delegated to the President. Since the major part of the national income comes from oil revenues, economic planning, at least at the macro level is considered imperative. Economic planning is also stipulated in the Constitution. Therefore, after the end of the imposed war, the First Five-Year Socioeconomic and Cultural Development Plan (1989-1993) was ratified. It was the first comprehensive

attempt to improve economic, social, political, and cultural affairs of the country. Furthermore, public administration, and administrative system have been duly considered in the First Plan. According to Monavvarian (2004), most of the First Five Year Plan proposals on administrative reform called for fundamental and comprehensive structural and process changes to improve the overall efficiency and responsiveness of public sector organisations. In fact, the main purpose of the First Plan was to improve the economic situation and increase the extent of people welfare level.

In order to rectify reform and reorganisation to improve administrative system, as well as to reduce the non sovereign undertakings of the Government, and also advance the systems, methods, procedures, human resources management, and regulations (by laws and directives), the Administrative High Council was set up. The important strategies and goals of the First Plan regarding administrative reform were as follows: (1) Limiting the numbers of parallel decision making authorities, (2) Reorganising public administration regarding functional homogeneity, and the absence of duplication and overlapping of functions and responsibilities, (3) Recovering management and human resources of public administration, (4) Convalescens laws and regulations applied by the state organisations and agencies, (5) Developing progressive administrative technologies and improving working methods (Shokoohi 1996).

The Second Socioeconomic and Cultural Development Plan (the Second Plan) of the Islamic Republic of Iran (1995-1999), was implemented after the First Plan policies, but with a new approach. It was considered as the most important document on economic reform, and public administrative reform efforts. The new approach concentrated on the system's productivity. The experience of the First Plan, and favourable conditions, provided for more comprehensive regulations on administrative and economic reform. According to the Second Plan's Act (1996), Qualitative Macro Goals of the Second Plan concerning administrative reform are as follows: (1) Enhancing productivity (in all of the public sector and state organisations, even non-governmental sectors), (2) Providing for sustainable economic growth and development centred on the expansion of agriculture, (3) Improving the country's monitoring, administrative, executive and judiciary structures, (4) Strengthening participation by the general public and adopting necessary measures for appropriate and continuous monitoring and implementation of the plan, (5) Reducing economic dependence on oil revenue and ensuring greater expansion of non oil exports, (6) Balancing the three major economic sectors (cooperative, private and public). In terms of the objectives, the administrative reform had been mandated with greater responsibility during the Second Plan. According to the rules and regulations approved (Shokoohi 1996), these reforms are well in place to help the economic transformation.

The Third Development Plan was implemented from 2000 to 2004. The Third Plan was formulated with a view to address various aspects of the existing

realities in the country, the challenges that the economy faces, and the emphasis on having a comprehensive and balanced plan. Accordingly, the core elements of the general policy framework of the Third Plan are as follows (2000): (1) To recognize the role of The Administrative High Council in order to enhance administrative and human resource management and structure, (2) To assess the financial position of all state enterprises with the aim of liquidating, privatizing, or restructuring them, (3) To develop an effective social safety net that will replace the current generalized consumption subsidies, with the aim of supporting specific targeted groups, (4) To establish 'the State Tax Organisation' as an independent public institution with the objective of increasing the efficiency of the tax system and eliminating the existing organisational bottlenecks, (5) To create the 'Oil Stabilisation Fund' for reducing budget reliance on oil revenue and ensuring the sustainability and preservation of national wealth, (6) To reduce the net increase in bank's scheduled facilities by 10% on annual basis, taking 1999-2000 approved figures as benchmark, and (7) To regulate the amount and the term structure of official external debt. Accordingly, in line with the economic objectives of the Government, the Third Plan (2003) has given priority to such issues as alleviating the inflation rate, creating job opportunities, diminishing reliance of the nation on just oil revenues, and, in general, alleviating the economic problems of the people.

Highlights of the Third Plan (Haeri 1999) emphasises on cutting dependency on oil revenues, envisage the privatisation of the railways, tobacco, tea and sugar and the post and telecommunications services. In addition to formulating a reasonable framework for ceding state companies to the private and cooperative sectors, mechanisms have been adopted to remove excessive regulations hampering production, investment, encouragement of competition in local production and expansion of private and cooperative sectors.

## METHODOLOGICAL CONSIDERATIONS

In order to accomplish the study, the researchers employed a quantitative research design that took into account the limitations associated with availability of respondents and the location of the research site. As such a qualitative component was also incorporated into the research design. The target population group of this research consists of top, middle, and functional level managers who are engaged in state organisations of Guilan, a province of Iran. Guilan Province has been selected as research site of this study because it is one of a few successful provinces in Iran that participated in the administrative Reform Program, and productivity movement. This study was conducted from 2005 to 2008. Random sampling method was used to identify target population. The number of sampled public managers from state organisations is 350. A survey instrument was used for data collection. The survey include two different scales (open and closed

ended scales). It was designed to evaluate the situation of public administration in research site. Out of the 350 public managers, 314 (89.7%) completed surveys were returned.

Qualitative descriptive method was employed to analyse the data obtained. The mentioned survey is conducted based on a multi scale items (closed and open scale) on administrative reform, which is prefaced with a phrase ‘to what extent’. In the closed scale respondents were asked to mark the extent of administrative reform success on human resources and structural reform during The Plans. Ratings were made on a five point scale. In terms of open scale, respondents were asked to explain why they chose a certain score (from 1 to 5) for each item. The questions for the survey were extracted from the three socioeconomic development plans’ act of Iran.

### ADVANTAGES AND SHORTCOMINGS

Reform efforts at the central and local levels in Iran during the Development Plans concerned the priority of the Structural Reorganisation and Human Resources Management Reform. In this respect, the respondents (public managers of target population group) were asked to rate (close scale) and explain (open scale) the extent of the Reform Programs’ success in Human Resources and structural reform of Public Administration. The overall results of descriptive analysis pointed to the fact that the Reform Program was not as successful as expected by the policymakers (Table 1 & Figure 1). However, a group of the respondents argued that the program was successful at a reasonable level, and mentioned some reasons for their opinions.

The following section is divided into two parts in accordance with two sets of questions in the open ended questionnaire. The first part consists of obtained results from the administrative reform survey that were replied by the managers of the research site (the four prime questions of the questionnaire). This set of questions was about the Human Resources Development Program during the Reform Program implementation. The second part was about the Structural Reform Program during the Program implementation.

TABLE 1. Administrative Reform situation

	N	Minimum	Maximum	Mean	Std. Deviation
Administrative Reform	314	10	39	22.2261	5.88194

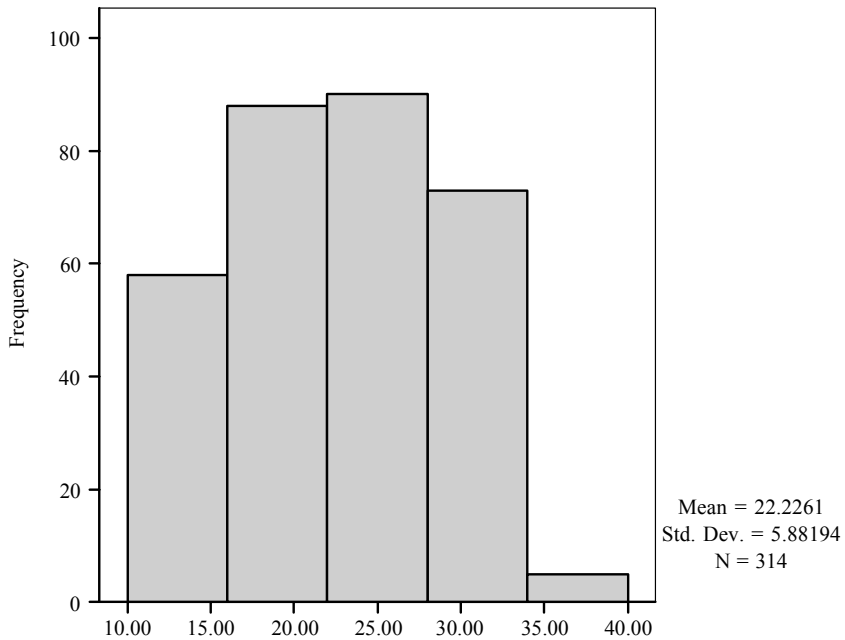


FIGURE 1. Public Administration Indicator

## HUMAN RESOURCES DEVELOPMENT PROGRAM

The objective of the Human Resources Management dimension is to achieve more effective results in the course of maximising the potential abilities of human capital within the administrative system to achieve more productive results from public activities. In this respect, the first question of the survey was about the extent to which the Reform Program had succeeded in generating managerial capacity is highlighted. The results show the factors that the managers mentioned regarding the success or failure of the Reform Program (Table 2).

TABLE 2. Managerial capacity during Administrative Reform

Managers' comment	Frequency	Percentage
1. Lack of merit rating system (N)	110	35.0
2. Lack of comprehensive vision (N)	89	28.3
3. Managerial capacity is improved (P)	45	14.5
4. Managers' professional training (P)	18	5.7
5. Following old style of leading (N)	13	4.1
Total responses	275	87.6
No answer	39	12.4
Total	314	100.0



A majority of respondents who had negative perspectives believe that despite some facilities such as new training and professional courses provided by the state, it did not result in enhancing the managerial capacity. The reasons for this are as follows: (1) Lack of comprehensive vision and integration of managerial approach, (2) Instability of public managers' position (managers' turnover), (3) Different perspectives of policy makers about administration, and (4) Indisposition of top and middle managers to follow new approach of leadership, replacing of top level managers in order to satisfy special vision of policy makers according to political situation of the country, etc. Furthermore, this group of managers mentioned that, to achieve the high capacity of managerial roles, it is better to establish an effective career advancement plan based on a merit rating system. One of the top managers stated that:

...There is a discouragement among colleagues in this organisation. Absence of merit rating and evaluating system to promote managers abilities and positions especially among middle managers has generated unmotivated administrators in state organisations... (December 17 2006).

This group of respondents stressed that managerial capacity improvement needs a basic change in management and leadership approaches to provide necessary facilities for effective reform implementation. Most respondents of this group assessed the implementation of programs as unsuccessful or far from stated expectations. In the new condition employees and populace need higher standards of working, and living styles. They stated, "...Organisations should provide high quality services for their customers. Public managers as general leaders in state organisations should also provide an environment which is conducive to flexibility and agility..."

The second question perceived the extent of the Reform Program's success to change the attitudes and skill level of public employees. The results show the factors that managers cited for success or failure of the Reform Program at the research site. The numbers of public managers who agree with each factor (Table 3) are indicated below:

TABLE 3. Changing the attitudes and skill level of public employees during Administrative Reform

Managers' comment	Frequency	Percentage
1. Employees' motivation (N)	96	30.6
2. Employees' understanding of reform (N)	82	26.1
3. Time allocation for employees (P)	58	18.5
4. Designed strategy (P)	43	13.7
Total responses	279	88.9
No answer	35	11.1
Total	314	100.0

The respondents who gave negative answers believe that a large amount of money and time has been allocated for training, but many of the employees and managers did not attend the workshops, and courses as effectively and regularly as they should have. In fact, they missed many opportunities to improve their skills and capabilities. That was because they were still required to attend meetings in and out of the organisations, and attend to other official and personal affairs. One of the respondents explained "... A lot of time was devoted, but not that effective, and trainees did not benefit from the training periods... (December 12 2006)."

This group of respondents affirms that the Reform Program did not focus on the employees' capacity, needs, expectation, and willingness. In fact many of employees think this program is a top-down administrative order, and did not consider their benefits in it. Respondents believe that the objectives of the Reform Program to change the attitudes and skill level of employees could not be achieved because most concepts and procedures needed for effective implementation of programs were not well institutionalised.

The third item concerns the extent of the Reform Plan's success to full utilize of human resources (Table 4). The respondents who gave negative response mentioned such factors as lacking job security, skilful employees, and effective training program. In order to fully utilise human resources, the Government asked for downsizing and merging program in state run agencies. This action has led to unemployment for many of the low and middle level managers. Respondents gave an example of a human resource adjustment program leading toward downsizing. One of the directors explained:

We were surprised, and confused. We had to increase our area of services and outputs on one hand. On the other hand, we had to satisfy the needs of our staff and employees, and also acquire some parts of our necessary resources through our products. In fact, Reform Program was forcing us to shut down some of our offices, to reduce our employees and decrease the number of managers. Therefore, as much as we could do, we ignored the plan to be able to do our responsibilities, and realize our objectives (December 17, 2006).

TABLE 4. Full utilization of human resource during Administrative Reform

Managers' comment	Frequency	Percentage
1. Lack of effective recruitment system (N)	103	32.8
2. Training program (N)	75	23.9
3. Attention to the payment system (P)	53	16.9
4. Employees' profession and qualification (P)	47	15.0
Total responses	278	88.5
No answer	36	11.5
Total	314	100.0

Managers who believe that the Reform Program was not successful stressed that Human Resources Management in state organisations brought about a certain level of uncertainty for the mentioned employees. They believed that Reform Program increased job insecurity. The lack of effective recruitment system leads to the minimal success of the human resources body. A middle level manager of a human resource department of Social Security Organization described:

Since there is not a fixed legal accurate procedure in the recruitment system, many graduates could not achieve their desired jobs in which they are capable of. On the other hand, there are some other people who easily earn a position for which they have no competency and cannot handle it appropriately. Consequently, because of their lack of skills and deficiency in effective and integrative training program state organisations could not employ many of potential manpower available in the human resources. Therefore, this part of the Reform Program is not in favour of productivity or reform performance improvement (December 23, 2006).

Item number four deals with the extent of Reform Program's success in attracting and retaining experts and professionals to state organisations. The result in Table 5 shows the factors that managers mentioned for the success or failure of the Reform Program at the research site.

TABLE 5. Attracting and retaining the experts and professionals to state organisations during Administrative Reform

Managers' comment	Frequency	Percentage
1. Limitation of the state organisations (N)	104	33.1
2. Ineffective job career advancement (N)	75	23.9
3. Special consideration to experts (P)	59	18.8
4. Multiple pay systems (P)	43	13.7
Total responses	281	89.5
No answer	33	10.5
Total	314	100.0

A majority of respondents (the negative response group) believe that the public sector has many limitations and as such is unable to provide attractive incentive to retain the experts in state organisations. Climate, culture, and environment of state organisations are not open and flexible. Professionals and experts need open situations, sufficient facilities, flexible work time, and permission to propose their ideas easily and apply for their proposals. Public sector with rigid bureaucracy and regulations in doing their routine duties and certain unchangeable procedures could not provide such facilities and attractions. In fact, with an established unified payment system, the government did not consider a flexible payment system with special benefits for special cases. Another obstacle is the lack of effective Job Career Advancement Plan in state run agencies. An expert this aspect of reform effort argues:

State Organisations do not offer strong incentives to attract or retain the experts to public sectors in this respect. It practises a unified payment system and perhaps is effective for normal situations, but it cannot be taken for granted for all seasons. Most of the time there are employees who handle a job regardless of their qualifications and professions (December 30, 2006).

In contrast, the positive response group who believe that the Reform Program was successful at an acceptable level argued that reform efforts generate sufficient managerial capacity for effective leading of resources at an acceptable level. These respondents mentioned that managers attended many workshops and seminars on administration based on World Wide Approaches. Another positive aspect of the Reform is the belief that the Human Resources Reform Program provided and created a suitable foundation to improve managerial capacity. Many functional and middle level managers were permitted to continue their study and obtained post graduate degrees and also earned higher qualifications and positions in state run organisations. In this case, it can be argued that the Reform Program has lead toward the generation of higher managerial capacity.

Item number 4 also highlighted the fact that public managers believe that the Reform Program succeed in changing the attitudes and skill levels of public employees. The Government improved its administrative communication and launched what was dubbed as 'The Education Revolution.' A general manager describes:

According to a series of implemented programs such as Customers Reverence Project, Comprehensive Suggestion System, 5S, Operational Kaizen, Productivity Cycle Management, and other periodical trainings, seminars, workshops, and etc. employees' attitudes and skill levels were fundamentally changed. Strategies and policies of Reform Programs are effectively practical for implementations. Also, the government allocated sufficient resources for achieving the stated objectives in this respect. Many professional academic experts were employed and a lot of time was devoted to training employees at all levels of state organisations (December 10, 2006).

In addition to this, the positive response group believes that the Reform Program was successful to utilise full capacity of human resources. Those managers stated that during last decade the Government paid a great deal of attention to the payment system in public sector. Salaries, wages, and other benefits were raised every year or by an official order. Furthermore, the Government enriched it especially during The Third Development Plan. The important outcome of Reform Program was its effects on the administrative machinery, and human resources management mechanism such as job classification and job career. This can to be interpreted that there is a concern for delegating the right job to the best person.

Finally, the positive response group believes that the Reform Program to attract and to retain the experts and professionals to state organisations was successful. According to this group, the Second and the Third Plans paid

tremendous attention to developing higher education and comprehensive scientific and applied trainings. In order to cover the shortcomings of the First Development Plan and to achieve the Second Plan's goals, the managers and employees' skills and specialisation was given the highest priority in the Development Plan. Hence, most managers and employees must improve their qualifications and skills during the Reform Program. This mechanism may increase the attraction of state organisations from internal and even external experts and professionals who are always looking for a good opportunity.

## STRUCTURAL AND FUNDAMENTAL DEVELOPMENT

The second key effort of the Reform Program in Iran is related to structural changes toward development. It focuses on efficient public services structure through decentralisation, involving devolution and delegation of powers, autonomy and authority to lower levels agencies by the modification of departmental functions and the machinery of the Government for policy coordination. It also concentrates on attracting public participation or minimises delay in the delivery of different services, distinguishing the line and staff duties and responsibilities in state runs. Finally, it examines the performance of the Council of Planning and Development for implementing the administrative reform in each province.

Item 1 of this section focuses on the extent of the Reform Program's success to implement the decentralization process. The result shows factors that managers mentioned for the success or failure of the Reform Program, and finally the numbers of public managers who agree with each factor (Table 6). In the descriptive analysis, the negative response group argued that the important issue of fact is the 'disposition of policy makers toward decentralization'. This group of managers indicated that decentralisation is only in the imagination of policy makers with high positions. There is an assumption held by the policy makers that delegating structural power to local level organisations is not appropriate. According to this group, if top managers and policy makers in Ministries accept that decreasing their ruling power is an effective facilitator to leading, then the decentralisation process can achieve a certain degree of success. The above mentioned respondents also agreed that the old and traditional bureaucracy of public sector does not allow for the implementation of fundamental change in the administration System. This group of managers did not believe in the feasibility of implementing such a process, but according to this group, it is necessary for some foundations to exist before decentralisation process's implementation can take place.

The respondents also hold a general wide vision that there is a need to use all key people with different ideas and beliefs to accelerate improvement in the country.

TABLE 6. Implementing decentralization process during Administrative Reform

Managers' comment	Frequency	Percentage
1. Indisposition of policy makers (N)	111	35.4
2. Traditional bureaucracy (N)	86	27.4
3. Professional managers (P)	55	17.5
4. Effective administration system (P)	34	10.8
Total responses	286	91.1
No answer	28	8.9
Total	314	100.0

The second item relating to the Structural Reform Dimension refers to The Reform Plan's success in delegating authority to the lower levels of state organisations. The result shows factors that respondents reported as success or failure of the Reform Program. The numbers of public managers who agree with each factor (Table 7) are tabulated below:

TABLE 7. Delegating authority to the lower level state organisations during Administrative Reform

Managers' comment	Frequency	Percentage
1. Indisposition of policy makers (N)	121	38.5
2. Monitoring system (P)	72	22.9
3. Governmental centralism (N)	51	16.2
4. Existed administrative law (P)	43	13.8
Total responses	287	91.4
No answer	27	8.6
Total	314	100.0

A majority of respondents (the negative response group), who believe that Reform Program was not successful had emphasized that the Indisposition of policy makers and their reserved attitude toward delegation of authority, led toward the failure of the implementation of this process. As stated by the Chairman of the Human Resource Department in the Social Security Organization:

... Basically public sector in Iran is centralised. It can be inferred that government does not believe in delegating power to the lower level departments and local agencies yet (December 28, 2006)...

Table 8 represents the results from Item 3 in the survey. It relates directly to public participation in programs initiated to encourage interaction between the public and the state run agencies. An example of this program is the Consumers Reverence Project, a project that evaluate customers' satisfaction.

TABLE 8. Attracting public participation in public activities during Administrative Reform

Managers' comment	Frequency	Percentage
1. Instability of macro economy (N)	113	36.0
2. Lack of mutual trust (N)	77	24.5
3. Ignoring people's benefit (N)	39	12.4
4. The link between public and private sector (P)	33	10.5
5. Lack of feeling of belongingness (N)	15	4.8
6. Public participation attraction (P)	13	4.1
Total responses	290	92.4
No answer	24	7.6
Total	314	100.0

A majority of respondents (the negative response group), who believe that Reform Program was not successful argued that, in order to attract public participation to public activities, the Government should design programs that would benefit the public. Programs aimed to change employees' attitude and behaviour toward customers, communication between managers and employees, state organisations environment, and consequently organisational values, were suppose to take place but did not materialise. This group of managers also mentioned that many professional courses were attended by employees, but those courses were not effective to be practically applied. One of the executives mentioned that:

Instability of economy in the country, failure of state organisations to keep their promises to the public, high inflation rate, and instable policies did not allow for the development of the feeling of belongingness among the populace (December 13, 2006).

Item number 4 relates to the extent of reform plan's success in distinguishing the line and staff duties and responsibilities in public sector. The result shows factors that respondents identified as success or failure of Reform Program. The numbers of public managers agree with each factor is indicated in Table 9.

TABLE 9. Distinguishing the line and staff duties during Administrative Reform

Managers' comment	Frequency	Percentage
1. Applying old approach (N)	99	31.5
2. Ignorance of policy make (N)	93	29.6
3. Collaboration between managers (P)	46	14.6
4. Identification of process for units (P)	45	14.4
Total responses	283	90.1
No answer	31	9.9
Total	314	100

From Table 9, the negative response group explained that in an efficient administrative system, functions of different units are compartmentalised for the purpose of specialisation. Respondents of this group mentioned that success of state organisations depends on effective separation of line and staff duties and responsibilities to evaluate the outcomes of every unit. For example, line managers and line employees advise and design every specific program according to top policy makers and have the official authority to direct and control immediate subordinates. However, staff managers and staff employees are specialists in their areas of expertise. When there is a constriction in the line authority which includes the right to advise, recommend, and counsel in the staff specialists' area of expertise, then a conflict can occur. Line managers may not concur with the staff managers. In the elaboration of the issue, a manager asserted that

Traditional approaches of leadership do not believe in the separation of line and staff functions from each other. Since our state organisations apply old approaches for having the jobs done in public sector, they were not effective or efficient. Furthermore, evaluation of this administrative system is impossible or it is very hard to obtain good results. (December 15, 2006).

The last item in the Structural Reorganisation Dimension concerns the placement of the Council of Planning and Development in leading the reform efforts in each province as compared with other existing councils and committees.

TABLE 10. Performance of the Council of Planning and Development during Administrative Reform

Managers' comment	Frequency	Percentage
1. Responsibly of following (N)	117	37.3
2. Centralization at local level (N)	81	25.8
3. Role of General Governor (P)	43	13.7
4. Guide of the project (P)	40	12.7
Total responses	281	89.5
No answer	33	10.5
Total	314	100

A majority of respondents (the negative response group), who believe that the Reform Program was not successful revealed that membership of the General Governor, especially as Head of the Council is the negative aspect of the Council. Authoritative leadership style of the Governor pressures managers in state run agencies to act in a certain restricted way during the period of the Reform Program. Hence, this group of respondents believe that the person elected/chosen to become Governor must be unbiased in administering the Council because it would lead towards the centralisation of authority at the local level (Table 10).



They also believe that to achieve effective results in the Reform Programs, the Council needs responsible members. According to one of the respondents:

Members of work groups were not responsible for following the Council's acts effectively. Many participants were absent in Council's important meetings. Therefore, how we can believe that they were able to achieve the objectives well (December 30, 2006).

While generally, the respondents exhibited a negative response to the success of the Structural Reform Dimension, there is a minority of respondents who focuses on the reasons of the failure in a rather rational manner. This group of respondents believes that it is wrong of the government to concede decision making power to local level organisations, because the authority and power structure of the administrative system is still immature. Decentralisation according to this group of managers is not a good strategy for the time being. It needs a strong administrative system to manage and control the implementation of programs at all levels surrounding multiple issues. The Government needs an effective monitoring system in order to provide potential necessity to shift the paradigm toward decentralization strategy. Otherwise, the Public Administration of Iran will be disrupted. Another barrier against decentralisation strategy in the country, according to the positive response group is the limited number of experts and professionals needed to govern at the local levels. An expert explained the issue:

I believe that the implementation of this strategy needs an integrative and powerful Administration System to monitor and lead the whole process and guide it to the satisfactory outcomes. Also, local level organisations have limitation to manage the affairs. For instance, local top and middle level managers in local organisations have no sufficient readiness to carry out this role (December 15, 2006).

The positive response group argued that delegation of authority such as the decentralisation process needs some foundations, prerequisites and mechanisms like readiness of state runs agencies to implement most of the related program directly and in a well conceived manner. They mentioned the need for proper elements such as effective laws and regulations for administrative affairs. Hence, some of respondents hint that the present calm political situation may be a good time to delegate more authority to local level. Those respondents also believe that it is important for local level organisations to be sufficiently mature to accept more responsibility to handle the units with more authority and self power.

They further argued that the development plans from the start has been successful in creating positive linkages between public sector activities and private sector benefits. Generally, the public sector was attractive for both the private and cooperative sectors. The Government ceded many shares and projects to the other sectors during the implementation of the three Development Plans. One of the respondents pointed out that:

Periodical announcement and training programs for all levels of employees in state runs are due to attract public participation in public activities. Now, general public people's tendency toward public affairs is higher than before (December 16, 2006).

They also considered that it seems rather impossible to isolate duties of line and staff of state organisations. There are some duties that have direct correlation with each other which should not become isolated from one authority. Sometimes line managers do not let staff units have sufficient necessary authority. In fact, the old conflict between these two units in state organisations from the past years led to more difficulties in state work settings. According to this group of respondents, the Government facilitates solving problem between the two units in terms of sharing duties and close collaboration between the line and staff managers in designing an effective proposals and implementation. Of course this method of compromise between two units is ideal in many situations.

Finally, the positive response group indicate that role of the Council of Planning and Development in leading the Reform Program was vital to achieve the stated objectives of the Reform Program. Obviously, it is more important because the Governor serve as Head of the Council and he had dominated the control to implement its Acts. One of the managers mentioned that:

The Council is very important to guide the projects' implementations during the Reform Program. They added membership of all state organisations in related work teams of the Council due to integration between different activities from one side, and between different organisations from the other side and close relationship between all public managers among all programs. The most important result of establishing such a Council was consensus decision making in state organisations and inter relating all organisations in the province (December 22, 2006).

## CONCLUSION

The Development Plans in Iran provided an important framework within which the government could embark on a program of structural and human resources Reform Program. The First, Second, and Third Development Plans had their successes in this country. However, the Reform Program has not been as successful in reaching its strategic goals such as improving productivity in state organisations, downsizing of bureaucracy and the Government heavy body, decentralisation process, delegation of authority to the local and provincial state organisations, improving the managerial capacity in public sector, and improving human resources management.

The result of this study shows that the administrative reform to transform the administrative system in Iran is perceived by public managers to be successful to a certain extent. It seems that the administrative system has suffered from lack of a comprehensive approach to direct human resources in which several parallel initiatives were undertaken by different aspects of the Human Resources

Management. Various initiatives related to the Administrative Act of the Development Plans in Islamic Republic of Iran (2003) are inter-linked and complementary. The development plans involve the performance management, reinforcing public employees' participation in decision-making throughout an organisation, and reducing deskilled and semiskilled employees in order to have full utilisation of public human resources' expertise. From narratives indicated by the public managers, it was obvious that the structural reform dimension is deemed to be more successful compared to the initiatives related to the human resource dimension. This is because the reengineering of human capital requires a long term commitment from the leadership of the country. This relates to the creation of a high quality human resources management to improve qualifications of public managers at different levels, and a strong financial management system. Also, definitive instruments for incentives and rewards for civil servants through proactive human resources management as well as strong executive leadership development are other important factors. Therefore, overall, there is still a gap between stated objectives and the outcomes achieved of the Reform Program implemented in the Guilan Province, Iran.

## REFERENCES

- Amuzegar, J. 2005. Iran's Third Development Plan: An Appraisal. *Journal of Middle East Policy Council*.12(3):1-27.
- Aras, B. 2001. Transformation of the Iranian Political System: Toward New Model? *Middle East Review of International Affairs Journal*. 5(3): page number?
- Country Analysis Brief
- Chapin Metz, H. (ed). 1989. *Iran: A Country Study*. (4<sup>th</sup> ed.) Washington D.C.: Federal Research Division, GPO for the Library of Congress.
- Ebrahimshah, M. 1999. Iran Third Cultural and Socioeconomic Development plan. *Iran Export and Import Magazine*. 60:12-13.
- Farazmand, A. (ed). 2001. *Administration Reform in Developing Nations*. Bandar Greenwood Publication Group.
- Farazmand, A. (ed). 2001. *Handbook of Comparative Development in Public Administration*: 2<sup>nd</sup> ed. Revised and Expanded. New York, NY, USA: Marcel Dekker Inc.
- Haeri, S. 1999. IRANIAN THIRD DEVELOPMENT PLAN IS GOLD, BUT NOT ACCESSIBLE TO HIM [http://www.iran-press-service.com/articles/third\\_plan.html](http://www.iran-press-service.com/articles/third_plan.html).
- Heady, F. 1991. *Public Administration: A Comparative Perspective*. 4<sup>th</sup> ed. New York: Marcel Dekker, Inc.
- Iran Energy Data, Statistics and Analysis, 2006. Energy Information Administration. Country Analysis Briefs, Official Energy Statistics from the U.S Government. <http://www.eia.doe.gov/emeu/cabs/Iran/pdf.pdf>.
- Islamic Republic of Islamic Consultative Assembly. 1990. The First Socioeconomic and Cultural Development Plan Act, Management and Planning Organization, Deputy in Logistic Affairs Scientific Documents and Publication's Centre.

- \_\_\_\_\_. 1996. The Second Socioeconomic and Cultural Development Plan Act, Management and Planning Organization, Deputy in Logistic Affairs Scientific Documents and Publication's Centre.
- \_\_\_\_\_. 2003. The Third Socioeconomic and Cultural Development Plan Act, Management and Planning Organization, Deputy in Logistic Affairs Scientific Documents and Publication's Centre. First Publish.
- Mangué Nandongo, G. 2002. Administrative and Civil Service Reform in Equatorial Guinea African Training and Research Centre in Administration for Development (CAFRAD), Tangier, Morocco (Unpublished Research Report).
- Monavvarian, A. 2004. Analysis of the Perceived Degree of Success of Reform Efforts: Reform Agents' Perceptions. *Journal of Management Development* 23(6): 579-595.
- \_\_\_\_\_. 2001. The Reform of Public Administration in Iran during the period of the First Five-Year Plan (1988/9-1993/4): Success or Failure? Flinders Institute of Public Policy and management. <http://www.ssn.flinders.edu.au/>.
- \_\_\_\_\_. 2004. Administrative Reform and Style of Work Behaviour: Adaptors-Innovators-Iran. *Journal of Public Organization Review Springer Netherlands* 2(2): 141-164.
- Roukis, G.S. 2006. Globalization Opaqueness and Conspiracy. *Journal of Management Development* 25(10): 970-980.
- Salehi-Isfahani, D. 2005. Iran's Third Development Plan: A Reappraisal. Department of Economics Virginia Tech. [http://www.filebox.vt.edu/users/salehi/Reply to Amuzegar. pdf](http://www.filebox.vt.edu/users/salehi/Reply%20to%20Amuzegar.pdf). 15 Jun2007.
- Shokoohi, A. 1996. Public Administrative Reform for Economic Transformation in Iran: The Legal Framework. *Journal of Asian Review of Public Administration* 8(2): 33-44.

Mohammad Reza Azadehdel  
 Islamid Azad University  
 Rasht Branch  
 IRAN

Rashila Ramli, PhD  
 School of History, Politics and Strategic Studies  
 Faculty of Social Sciences and Humanities  
 Universiti Kebangsaan Malaysia  
 43600 UKM, Bangi Selangor  
 MALAYSIA