ABSTRACT

In the latter part of the last century there was a rush by leaders to change societies and create superior organizations. This rush for societal and organizational re-engineering started with ideas emerging out of the massive industrial drive that occurred during the last World War (1939-1945). The world became divided into two camps; the communist and the capitalist. Life in the communist camp became almost stagnant. In the capitalist camp however life became absorbing. The quest to find new ideas, new systems, new markets and new technologies all served to promote the revolution of production organizations and invariably states. Leaders in both ideological camps competed for superiority and drove their people to achieve goals that they envisioned as being necessary to sustain their societies. Some of these leaders sought to modernize their societies by encouraging the development of modern organizations which were to be superior performers not only adapting to continuous change but also being the catalyst for societal change. This was the new management paradigm that began to influence people across the globe and served to influence leaders of developing states to reshape their outlook for their societies.

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OVERVIEW

In the latter part of the last century there was a rush by leaders to change societies and create superior organizations. This rush for societal and organizational re-engineering started with ideas emerging out of the massive industrial drive that occurred during the last World War (1939-1945). The world became divided into two camps; the communist and the capitalist. Life in the communist camp became almost stagnant. In the capitalist camp however life became absorbing. The quest to find new ideas, new systems, new markets and new technologies all served to promote the revolution of production organizations and invariably states. Leaders in both ideological camps competed for superiority and drove their people to achieve goals that they envisioned as being necessary to sustain their societies. Some of these leaders sought to modernize their societies by encouraging the development of modern organizations which were to be superior performers not only adapting to continuous change but also being the catalyst for societal change. In the liberal-democratic world ideas of organizational change emerged from major world thinkers. Ideas were developed to challenge organizations to re-engineer themselves to become vessels that would welcome and pursue change. This was the new management paradigm that began to influence people across the globe and served to influence world leaders and reshape the outlook of many societies.
HARSH REALITIES

Developing states in the Caribbean region are in an unfriendly ocean. Sandwiched between the North American Anglo-American giants of Canada and the United States and the emerging Latin American giants they are in dire straits. Faced with unpredictable tidal currents, their economies are precariously perched on the top of a bottomless pit of debt, societal decay and continued underdevelopment. These societies are subjected to the vagaries of global trends, international dictates and internal political turmoil. They are small states with limited resources and are perpetual technology users.

Some of these states have some natural resources that can bring short term economic prosperity but they are technologically backward. Added to this constraint, they lack the capital to successfully exploit and market these resources. To compensate for their inadequacies they rely totally on foreign capital to identify, develop, extract and market these non-renewable resources. This venture provides them with some income but it also ensures that they maintain their dependency status on external capital and technology to drive their economies. The consequence of this tradition has been the failure of these societies to develop their own capital and technologies, encourage the export of their intellectual capital and immerse themselves in the cultures of the larger countries.

Other Caribbean states have relied on the fickle tourist market too provide them with income. They were forced to abandon agriculture production as a means of generating income because of the international market forces. Many of these countries have developed a false sense of comfort because of their short term lucrative position. A
few of these countries have felt the harsh reality of devastation by an unstoppable natural disaster. Their economies now lie in ruins, their people reduced to begging and their leaders frustrated.

This is the graphic picture of the modern Caribbean. From Suriname in the South to the Bahamas in the north, underdevelopment is the most recognizable feature of the region. The question is how small states like these emerge from their societal abyss? How do they move ahead of the global pack? Can they move ahead? What can they do to successfully transform themselves into ultra modern and superior societies? How do they move from the catch up phase to the catch me phase? How do they move to a stage in the global environment where they set the trends and others follow?

THINKING OUT OF THE GLOBE

The future is made by current attitudes and behaviours of leaders. Time will go on and societies and leaders will fail. The challenge for Caribbean societies is not to catch up to the rest because that is an unrealistic position. The challenge is to “leap-frog” over the rest. The challenge that these societies and their leaders must address is to make the quantum leap and create the future.

The practice of waiting for the future is a perpetuation of the dependency syndrome in which these societies have been bred. Countries such as Trinidad and Tobago have to envision what they want to be one hundred or two hundred years in the future. Failing to engender this type of visionary leadership and critical thinking is condemning the society to remain locked in a framework dictated by prevailing trends.
Current progressive, revolutionary and critical thinking leaders seek to persuade people to think out of the box. The world is not a box, it is a globe. This may appear to be a rhetorical issue but on closer scrutiny there is a deeper philosophical concern. The shape of the intellectual prison is of concern because locked in someone else’s prison it may be impossible to escape, but confined in your own prison provides more options for the decision-maker and the leader of change.

This analysis is not particularly concerned with arguing about the shape of the intellectual prison. The idea is to move out from that prison, whatever the shape or dimension and liberate the creative capacity that resides in the people. The liberation process is as difficult to attain and to implement the process to encourage people to become critical thinkers.

THE PHILOSOPHY OF CRITICAL THINKING

Critical thinking is not new; it is not a modern concept. It is revolutionary but it was used long before Plato, even before the Sumerians and the builders of Stonehenge. The foundations of critical thinking rest on the quest for survival in the primitive societies of antiquity where tools and simple technologies were invented to harness certain elements of the environment to achieve a competitive edge over neighbouring societies. Critical thought processes have always been with man but today it has been repackaged to induce modern man to engage in critical reflections and philosophical thought, to expose new ideas. History has left modern man with numerous examples of critical thinkers and among these, Heraclitus stands out.
Heraclitus was called the dark philosopher. He was a cynic. His most enduring contribution to the human society was his notion that everything changes and the only constant was change itself.¹ Over two thousand years ago he analysed the eternal predicament of every human. Heraclitus’ deduction was based on his study of his own Hellenistic society which was challenged to address a changing environment. Similarly, in the modern world all societies including those of the Caribbean region are faced with the challenge, how to cope with change?

In modern societies the social arrangements are significantly different from those of ancient times. Today, organizations led by people are essential to the functioning of society. They influence societal trends and society influences the organizations. The scale of this interaction is much larger than that which existed in the past. It is not surprising that many of the ideas about change emanate from this segment of society that produces the goods and services that drive the society.

Modern management gurus such as Michael Hammer and James Champy argue that executives need to re-engineer their organizations.[ii] Hammer and Stanton defined organization re-engineering as: “The fundamental rethinking and radical redesign of business processes to bring about dramatic improvements in performance.”[iii] This definition is simple and straightforward. The challenge is directed at organizational leaders, urging them to engage in revolutionary thought processes that would dramatically change the way they function so that they could obtain higher levels of productivity and higher returns on their investments. Similarly, this challenge can be thrown out to national leaders, calling on them to become innovative and creative in finding ways to dramatically advance their societies forward.
There are those that will argue that the state was not a business and it was not designed to produce commodities for sale and to generate profits. The modern state will put to rest those sorts of arguments. The modern state is a legal entity, which has resources and people among other things. The governors, rulers and leaders of that entity have a responsibility to ensure that state resources are used prudently and that the well-being of the people is enhanced. In fact, those responsible for the direction of the state, the allocation and distribution of its resources are indeed managers and executives and are accountable to the people. The new thinking requires that these state executives behave as managers when they are in power and in control of the state and all its resources.

It is therefore imperative that the national leaders cope with change and induce change when it necessary to do so. The method to engage in this type of developmental activity is similar to those which organizational leaders have to pursue. James Champy offered an interesting method to achieve organizational re-engineering. Champy argued:

“Everyone must change. The change will go deeper than the technique. It touches not merely what managers do, but who they are. Not just their sense of the task, but their sense of themselves, Not just what they know, but how they think, Not just their way of seeing the world, but their way of living in the world.”

Champy’s argument directs that leaders consider a new type of management. This new management welcomes innovation and promotes change so that sustainable development can be achieved.

The position advocated by Champy was similar to that put forward by Hammer and Stanton. They called for a radical departure from traditional thinking and they provided insights to a method for dealing with drastic change. Evidently, they call for
leaders to critically examine who they were, what they were and what they did. That process signified an internal examination. They simultaneously argued for leaders to examine the external environment and locate or create a way to deal with the relevant changes. Their views were not normative but were positive, challenging leaders to address the needs of a rapidly changing environment.

Another modern day guru, Tom Peters said: “The most effective leaders, from Mohandas Gandhi to Sam Walton of Wal-Mart, have always led from the front line, where the action is. Today, any leader, at any level, who hopes for even limited success must likewise lead from the trenches.”

The proposition by these theorists can easily apply to societies such as Trinidad and Tobago. Lloyd Best in a local Trinidad newspaper writing his weekly article argued that Caribbean countries need to throw their economies into a different orbit. He said: “The challenge to the Caribbean is to launch an entrepreneurial thrust which would precipitate the economy into an altogether different orbit.” This was precisely the thinking that Hammer et al was challenging leaders to come to terms with.

There similarities between the functions of a chief executive of an organization and the chief executive of a state. The leader of a business and the leader of a government share similar functional responsibilities. Politics saturate the entities and each leader is accountable for the good governance and management of their entity. The decision to lead is a political decision. In fact, all decisions are political by nature. Therefore, the decision to change a society is political as well as to transform an organization, is also political.
THE NATIONAL LEADER AND THE ORGANIZATIONAL LEADER

Leadership is leadership, regardless of how it is put, fashioned or dressed up. The leader of a government has the same responsibilities as the leader of an organization. Both actors have to manage resources, develop policies, empower people, induce actions, manage conflict and prevent crisis from occurring. The leader of a government is responsible for the society that is governed and is accountable to the citizens of that particular society. The leader of an organization is responsible for the organization and is accountable to the shareholders, the directors and other stakeholders.

The difference between the two categories of leaders originated from the concept that one group operated for profit and the other for the benefit of the wider society. That view of course was flawed because both operated for material gains and to ensure that their entities were successful. The magnitude and scope of responsibilities does not matter because in the modern world leaders of some very large transnational corporations and global organizations have much more responsibilities than leaders of small states and are accountable to much more people than leaders of small states. Leaders of the United Nations and international disaster relief organizations have more responsibilities than leaders of large countries and they are accountable to much more people.

Leaders of government can be compared to leaders of organizations, both those that operate for profit and those that operate for gratis. Leaders of government have to come to terms with the reality that they have managerial responsibilities for the governance of their countries and those responsibilities are more important than their political objectives. They are required to engage in critical thinking and ensure that their societies progress. Some leaders are forced to address the question as Rajiv Gandhi was
called upon to do in 1988. Tariq Ali, a reporter of Race Today Reviews interviewed Gandhi in 1988 and enquired about the progress of India. Ali asked Gandhi, “In the fortieth year of Indian independence, what do you see as the main blocks to social advance and modernization which you declared to be your aim in moving India into the twenty-first century?” Gandhi responded: “If you look at just one item, it is to change the attitudes in our people, to make them more positive, perhaps more aggressive, a little more self-confident.”

Leaders, national and business leaders must empower their people. Empower them to change, to find new ways of doing things so that they could create better organizations and better societies. The act of empowerment is both a managerial function and a political strategy. As Gandhi said you have to get your people to change their attitudes and change starts at the top. The bottom can rarely influence change and they do so at great expense and sacrifice, for instance when they stage a revolution. The society pursues change if the top leads the change.

IMPROVING THE COMPETITIVE ADVANTAGE

Heraclitus’ philosophical thought can be identified as a universal law. His statement has withstood the test of time and is the fundamental principle behind the concept of evolution. It is the reality about global conditions, societies, organizations and human development. This concept is difficult to challenge and in the post-modern era
has been accepted as a reality. It is a universal concept in its application to extraterrestrial existence. For instance, the planets that make up our solar system; Jupiter, Mars and Venus all have undergone change and continues to change. The Sun is currently undergoing change with its phenomenal explosions and solar flares, the emission of solar gases and radiation that affect our planet.

The fact espoused by the dark philosopher ironically illuminated the minds of all scientists and impacted on all of humankind. The addendum to Heraclitus’ discovery is to formulate plans to address the changes. These plans that societies must of necessity develop must provide them with models to harness the forces of change so that they can achieve a superior advantage over their competitors. The societal plans must deliver to these societies significant competitive advantages.

There is a caveat however to this strategy, the plan must be formulated in such a way that it can easily be reviewed and adjusted to ensure that the respective societies retain their position of competitive advantage over their competitors. In part this thrust in development calls for regional governments to establish think tanks that employ the creative talents of regional and extra-regional human resources where applicable.

Peter Senge’s outstanding work which he presented in the book The Fifth Discipline: The Art and Practice of The Learning Organization, provided several insights on what must be done to address the rapid and radical changes that are taking place. Senge wrote:

“As Fortune magazine recently said, ‘Forget your tired old ideas about leadership. The most successful corporation of the 1990’s will be something called the learning organization.’ ‘The ability to learn faster than your competitors,’ said
Arie De Geus, head of planning for Royal Dutch/Shell, ‘maybe the only sustainable competitive advantage.’ ix

States must also become learning entities as the examples of Japan, South Korea, India, Singapore, China, England, Germany, Sweden and Australia have adequately demonstrated. These societies have either maintained their leadership positions in capital development and political thought or are rapidly becoming major players in the global economy.

SMALL STATES AND COMPETITIVE ADVANTAGE

In the global community many small states have little competitive advantage over larger states. Further to that, many small states are technology users, they are transition points for the transfer of finance, goods and services. Their technology and intellectual capital are severely limited or non-existent. The little intellectual capital that they produce and the technology that they generate are constantly exported to the more developed countries to be further developed and used in the production of consumer commodities to be resold to the less developed countries. This cycle is repeated over and over so that the less developed countries become incapable of creating anything of value to transform their societies and develop their economies.

Some small states have created temporary competitive advantages over their larger competitors. Singapore is one such example but these advantages may not be sustainable for hundreds of years and they will have to find other niche areas to exploit. States such as Singapore can use their available human capital and technological stock to locate and develop other niche areas that will sustain their competitive advantage.
In the Caribbean region very few states have any volume of human intellectual capital stock and technological capital stock is almost non-existent. Additionally, they have failed to capitalize on their strategic advantages such as geographical position and warm climates to create areas of sustainable competitive advantage. All the states of the Caribbean are rabid technology consumers; they are not creators or producers. This disadvantage provides them with their first dilemma in creating competitive advantage.

There are those leaders who will argue that their country has a competitive edge in the tourist industry. The valid counter argument will be that such a position is highly tenuous and purely temporary. In the first instance, the tourist industry is very unpredictable and the market is subjected to wide fluctuations and rapid changes without warning. Secondly, the tourist based economy is an extremely fragile economy and is dominated by foreign international interests that provide limited employment and limited income to the national treasury, the larger portion of the gains are exported out of the region. Thirdly, the tourist industry is not developmental but indirectly contributes to the sustained underdevelopment of the other areas of the economy.

The negative fallouts occur when the lumpen populace is induced by the prospects of earning easy money, subject themselves to perform routine and menial jobs. The tourist industry in this respect sponges away the potential for real creativity by preventing the youths from pursuing more fruitful pursuits such as education, advanced training and research activities. Other negatives from unfettered expansion of the tourist sector are the increase in prostitution, spread of communicable diseases, importation of narcotics and destruction of the ecology.
Those states like Barbados and Antigua that have a favourable natural environment for the tourist trade must seek to speedily and prudently reinvest their financial gains. Barbados has a good base proposal to establish a new university. The realization from that venture will come from what they do with such an institution. Trinidad and Tobago has had the good fortune of having petroleum and natural gas to fuel its development. The small gains from the exploitation of this non-renewable resource have not been wisely invested.

In Trinidad’s case the petroleum industry has matured and may be on the downward side of the economic flow curve. A life line has been thrown to the Trinidad and Tobago economy with the development and exploitation of its natural gas reserves. This line may be severed at short notice as the global economy fluctuates, going through its periodic rise and fall. The world market for natural gas is another fickle phenomenon and as everything else is tied to the consumer market. In any event, the revenues derived from both petroleum and natural gas to date, have not been put to the best use. Although there have been instances where the ideas for the prudent utilization of these resources materialized, the management of the initiative was improperly executed.

A previous administration had a sound idea to reinvest some of the petroleum windfall into heavy capital producing industries. However, having constructed an iron and steel production plant in the 1980s, the policy was derailed. The failure of the policy makers and national leaders to properly staff the government owned plant with competent managers, resulted in the sale of the plant to an internationally owned consortium. The failure to maximize the benefits from that investment was due to several factors. The government appointed board of directors comprised of party loyalists and were unable to
staff the plant with competent people to manage the plant, market its products and improve its operational productivity. The incompetence of the directors and managers resulted from the policy makers’ refusal to move away from the practice of a particular type of clientelism that is now synonymous with multiethnic and less developed states.

The staffing and recruitment policies of that administration had inhibited the progress of the society. Their flawed policy of preferential treatment for party “faithfuls” to fill strategic jobs in the state controlled sectors inhibited them from placing the right people to do the right jobs. This negative discriminatory practice resulted in almost all state owned agencies including the government administration and bureaucratic networks being staffed with inefficient and low producing personnel.

Given the fact that the state was recognized for its low levels of production and the national administration refused to address that flaw, the future of the society appeared to be grim. Whereas, the state controlled production sector was inefficient, ineffective and largely unproductive, the private sector had its own problems. Production in the private sector was higher than that of the state sector but the private sector has predominantly remained unchanged over the years.

A few private sector organizations have invested in capital production facilities. Among the few that took up the challenge, Clico Financial stood out. The dynamic leadership of Clico Financial proved to be visionary. Using the resources acquired from its insurance and other service type operations, the enterprise invested in methanol and other petroleum based industries. What prevented other organizations from doing the same?
There were several reasons for the reluctance by many local conglomerates from venturing into similar entrepreneurial activities. Many of the traditional business organizations demonstrated a reluctance to take substantial risk. Many of them do not have the capital and others do not have the intellectual and technological capacity to pursue such ventures. Many of them yet, prefer to hoard their savings in real estate and other low productivity but relatively high income earning and safe ventures. Many of them refuse to modernize their operations and employ competent people to provide them with a vision and improve their productivity.

One of the fundamental reasons for the failings of the Trinidadian private sector to embark on technologically advanced projects can be found in the type of businesses that they operate. Many of the businesses (across all varieties, large, medium and small) are primarily merchants who indulge in buying and selling consumer commodities. They are essentially traders. They do not expend resources to encourage development of new innovative ideas or create new technologies. Their principal concern was in making profits using old managerial systems, which basically translated into the exploitation of labour.

Another reason can be attributed to the education, training and human resource development policies of the government. A good example was illustrated by the analysis of the manner which the windfall from the petroleum and natural gas was spent. Successive governments expended large volumes of state funds on employment generating but low productivity activities such as the Unemployment Relief Programme, URP (including the Labour Intensive Development Programme, LID; DEWD and the Community Empowerment Preservation and Promotion Environment Programme,
CEPPEP). These programmes brought no returns and were riddled with corruption and nepotism. The government also expended large sums of money on an inefficient and ineffective public sector by increasing staff levels beyond the required amounts. This resulted from the failure of the government to advocate and implement standards of performance measures. This type of mismanagement allowed the government to employ party loyalists in the bureaucracy as a means of payback for their continued support during elections.

These failures were a direct product of poor strategic planning and management, deficient policy formulation and ineffective programme management. Further to that the overall education and human resource development policies of the government were found wanting. Adhering to the old colonial system of education for the youths denied successive generations the benefit of a wide and varied array of learning that was available. For instance there is a marked absence at the secondary school levels of education programmes on human resources management, policy analysis, politics and governance.

In addition to the constraints at the secondary school level, the education programmes at the tertiary levels are severely under-funded, under-resourced and under-staffed. The failure of the national leaders to appreciate the infinite values of research and development has encouraged the continuation of a system of tertiary education that was grounded in literary academia. Research and development were not pursued on an adequate scale. The government seemed to lack an appreciation for the field and the private sector was hesitant to treat this area of innovation as a priority.
It may be mused over; why was it so difficult for some Third World governments to engender a will to innovate? The reasons that Third World governments refuse to court innovation are essentially the same that are given by developed countries. Jonathan Walters argued:

“As frequently been noted by those who follow government, the public sector in the United States has never been known for its inclination to innovate. The list of disincentives to those brave souls who may be tired of the status quo and interested in new ways of conducting the public’s business is long and familiar. Items on that list range, on the one hand, from a general culture of risk avoidance and a lack of rewards for those who try to innovate, to the political timeliness and political pressures that work against long-range efforts at basic change, on the other.”

To initiate innovation is even more difficult for Third World countries steeped in colonial tradition and intimidated by the fear of change. However the failure to encourage innovation is infinitely more disastrous for these economies. The failure to be creative leads to stagnation and the lowering of standards of performance. The prolonged acceptance of this form of mediocre performance eventually cultivates habits of bad practices, low levels of productivity and societal retrogression.

SUMMARY

In Trinidad and Tobago, successive leaders and governments have failed to prudently manage the state, use available tools afforded by strategic management, formulate well thought out, sustainable development public policies and adhere to practices of effective and efficient programme management. Why have all these failures occurred, even more important, why do they persist?

A critical examination of the operations of some Third World governments as Suriname, Guyana and Trinidad and Tobago illustrated was characterized by a consistent
pattern of behaviour. Many Third World countries are ethnically bi-polar or multi-polar. The political party that capture power in those liberal-democratic developing states, do so on the basis of support from a particular ethnic community. They remain in power because they practice a system of clientelism that avidly demonstrated a bias against other ethnic groups.

These types of governments are primarily concerned with advancing their own political agenda and achieving their political objectives. There is little evidence to demonstrate that multi-ethnic societies led by ethnic leaders have advanced politically. The focus was always on their short term political goals rather than the long term interests of the wider society. The failure to prudently manage the state’s resources is a testament to the ideological thinking and philosophical development of the society’s leaders and the society as a whole.

In Trinidad and Tobago there has been a consistent practice by all the political leaders to encourage low productivity, infrastructure maintenance type programmes that were costly and corruptly operated. This approach had been adopted to provide occupation for the lumpen masses, who, had little productive skills, low educational levels and were disruptive and at times violent. Some of these lumpen masses were major criminals and were used by some politicians to intimidate supporters of other political parties.

The maintenance of these “make-work” programmes, along with the discriminatory and unfair recruitment and placement practices made the preferred ethnic community dependent on the largesse of the government and the party in power. This retrograde practice served to ensure that the targeted beneficiaries of the policy became
tied to a situation (imprisoned in a globe) where they depended on the state for survival. This system served to encourage these lumpen masses to become lazy and uncreative. They became under achievers and appreciated the sustained underdevelopment that they experienced. The political party in power retained its position of political dominance by actively encouraging its lumpen and ethnic supporters to continuously vote for it.

As far as the public sector was concerned the situation prevailed as Jonathan Walters argued: “There are good reasons why someone might be reluctant to want to lead change in a public sector setting; it’s widely regarded as a high-risk, low reward enterprise.”

The private sector was content with generating profits through the traditional means and the institutions of higher learning were encouraged to promote programmes that encouraged learning so that their graduates would fill the vacancies that arose in the traditional enterprises. The state did not provide for the use of superior learning to facilitate the creation of knowledge based industries. Innovation and creativity was discouraged by the old colonial type policies that penalized public officers who wanted to improve their knowledge and the graduates of the universities faced tremendous difficulties in gaining adequate employment. Added to that situation, post-graduate researches were also neglected by the state and the private sector as the emphasis was on maintenance of the traditional systems of production. This policy seemingly attempted to encourage these researchers to migrate to the more developed countries. These policies sustained the under-development of Caribbean states.

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iii Ibid Hammer and Stanton, p.3
iv Champy, p. 10
vi Lloyd Best, “Launch Economy into Different Orbit” Trinidad Saturday Express, February 12, 2005.
viii Ibid
x Manfred Jansen,
xii Ibid. p. 18