

# In the Name of Globalisation

## Meritocracy, Productivity and the Hidden Language of Caste

*This paper draws on interview data to analyse the attitudes of employers/hiring managers in India's organised private sector towards the caste and community attributes of their potential employees. We focus on the role ascriptive qualities play in employer perceptions of job candidates, arguing that they persist despite a formal adherence to the importance of merit. Antagonism toward reservations, as a mechanism for promoting employment for scheduled castes, is articulated as a principled commitment to the modern virtues of competition and productivity.*

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### I Introduction

More than a decade ago, Joleen Kirshenmann and Kathryn Neckerman interviewed Chicago area employers to try to understand the role they played in the production of unequal employment outcomes by race and gender. Recognising that young black men in the United States were plagued with high levels of unemployment, these sociologists sought to understand how hiring managers viewed the landscape of job applicants, and how the stereotypes they employed affected their judgments about the qualifications of those who sought work.

In their oft-cited paper, "We'd Love to Hire them, But..." Kirshenmann and Neckerman [Kirshenmann and Neckerman 1991] discovered that employers believed black men were unreliable, unruly, poorly educated and low skilled. Coupled with evidence from audit experiments, like those conducted by the Urban Institute and Princeton sociologist, Devah Pager [Pager 2003; 2007], employer interviews contribute to the view that prejudice remains a problem in the distribution of jobs. Low skill and educational deficits are, to be sure, also implicated in the high unemployment rates of black men. But even those who are qualified will face suspicion on the part of employers who begin with negative views of the urban minority labour force.

The example of Kirshenmann and Neckerman has seldom been followed,<sup>1</sup> even in the US, much less elsewhere in the world. But the same goals that led them to study the social attitudes of employers and hiring managers in Chicago animated the present study of Indian employers in the formal sector.

### The Indian Study

This paper is based on a qualitative pilot study of a convenience sample of 25 human resources managers in large firms based in New Delhi and the National Capital Region (NCR). While this is a small sample, worthy of replication on a much larger scale, the firms involved are generally large, established, and responsible for a significant number of hiring decisions in any given year. We have employment totals for 22 of the 25 firms and together they employ over 19,00,000 "core" workers (meaning they are on the direct payroll) and data on contract

or temporary employees – usually hired via outsourcingly for only eight firms, for another 63,000 workers.<sup>2</sup>

Lengthy on site interviews were conducted in 2005-06 with the head of human relations or managers holding equivalent responsibilities for hiring and employment policy in each firm. They were told that the purpose of the study was to explore employer perceptions of the Indian labour force and challenges involved in hiring policy. Our informants were first asked to describe the firm's history, size of the workforce, categories of employees, and labour search practices. They were then asked if they had any views on why members of the scheduled caste (SC) population display high levels of unemployment. Finally, we asked for their opinions of the "reservations policy", the longest standing quota system in the world. In particular, we wanted to know their views on whether this policy instrument, which is legally required in public higher education, public employment, and the legislative branch of government, should be extended to the private sector.

We must note at the outset that one cannot extrapolate from the data contained here, that the patterns of un- and under-employment of stigmatised groups in India be laid fully at the feet of discriminatory actors, acting either consciously or unconsciously on stereotypical expectations to overlook or eliminate qualified workers. Our interview data cannot speak to the question of whether hiring managers act on their preconceptions. Nor does it tell us whether clear statements to the effect that "merit is the only thing that matters" are indeed the real watchword of employment decisions.

For that, we have to turn to more persuasive experimental data.<sup>3</sup> But because that experimental data turns up fairly persistent evidence of discrimination under controlled conditions, researchers have turned to the study of employer attitudes as one ingredient that contributes to the pattern of unemployment that plagues minorities in the US and religious or caste-based minorities in India.

### II Modernism and Merit

The most striking finding in the interviews was the view, expressed by virtually every interviewee, that workers should be recruited strictly according to merit. That this has not previously

been the case in Indian industry was both clear and easily acknowledged. India is a country with a very long commercial history and for most of it, jobs were doled out in a nepotistic fashion, first according to personal ties, second according to village ties, and finally caste affinity. These traditional practices served India well for centuries and the notion that a precious resource, a job opportunity, should willingly be deeded over to a complete stranger – no matter how well qualified – represented a departure from traditional practice.

Of course, India is not alone in this history. In most western industrial countries, the same practices obtained, and whatever inequalities emerged as a result were simply accepted as the norm. It was not regarded as unfair or unfortunate; it was simply the way things worked. The rise of the professions in the west, with their elaborate systems of credentialism, interjected a different conceptual framework and corresponding practices. Qualification was now important and competition was built up as the gateway to the institutions that certified the most desirable would-be businessmen, lawyers, doctors, teachers, accountants, and so forth.

Of course, nepotism and other forms of preferential selection played a role in the admission to credentialing institutions, but the concept of merit took hold as a public declaration in opposition to the old tradition of inherited privilege or I-scratch-your-back cronyism. This attitude received a powerful shot in the arm with the invention of the civil service, a reform intended to break the back of corruption and distribute jobs more fairly. Civil service employment was a coveted good in western states and, throughout the colonial period, in India as well. Stable, relatively well paid, respected (to a degree) by authorities, these jobs and the pathways that led to them were the essence of modernism in the market place.

The fact that written exams often functioned to exclude minorities unfairly, operated and still persists in many domains. The concept of merit as the sole legitimate basis for employment was built into the foundation of what western employers see as modern. Indian employers outside the public sector did not leap on that bandwagon until the country began to move more decisively towards a self-conscious modernity.

Indian employers in this study speak about the past – which was dominated by localism and favouritism – as a period best left behind. The more India takes its place as an economic powerhouse in the modern world, they explain, the more it must operate strictly in accord with meritocracy and utilise hiring practices that will achieve this goal. To do otherwise – either in the service of a potentially laudatory goal, like the advancement of SCs or STs, or goals that no one would admit to in public, the exclusion of these groups from employment – is to stick the country (and the firm in question) in the mud.

A good example of this view is found in our interview with a hiring manager at Global Productions<sup>4</sup> a major media company with its publishing headquarters in Delhi (interview 6) and bureaus in 16 Indian states. The firm is about 80 years old, has a workforce of 3,000 core employees and another 800 who are hired through outsourced contracts. They recruit new employees on a national level for their main news staff and locally for their auxiliary bureaus. It is a publicly listed company, though the majority of the shares belong to the Indian family that purchased the firm after Indian independence.

When asked about whether particular groups compose the workforce, the manager responded, “our workforce is quite diversified. No concentration on caste, creed and colour...

talent and merit do not go with one particular caste or creed.” Pressed about whether popular stereotypes of castes or religious groups influence hiring, he was adamant that prejudice plays no role. “No, things have changed”, he explained “This was the perspective of the 1980s [before liberalisation]. Today when you are casting your own future in an unknown market, the internal flexibility is very important.” He elaborated,

We don't put any kind of template on any individual... We focus completely on merit. As our main goal is standardisation... We also have defined what merit is... We need people who are more exposed [to the world]. We believe power of imagination comes with exposure. Exposure makes you observe certain things and this stimulates the power of the imagination. If you have to be part of global culture, your leadership should be... defined by your capability of redefining... the company. And this can be ...made possible only through the power of imagination.

For Global Productions, which relies on projecting a cosmopolitan image as part of its market appeal, there is a bottom line value to recruiting people who are worldly, sophisticated, and well educated. In principle, individuals with this kind of cultural capital could come from any background. In practice, the institutions and experiences that produce cosmopolitanism are rarely accessible to members of the SCs.

Perhaps this is to be expected in a media company, where image is so critical to the bottom line. Let us turn, then, to a manufacturing firm where this pressure is less evident. Food futures, a 20-year old company that sells processed agricultural products, is a small family-owned firm with 150 people. As a fairly new firm, they embrace management practices that they believe are consistent with modern techniques. As the human resources director explained, he sees no relationship between the quality of one's work and background characteristics such as caste:

I haven't seen any kind of correlation between the religion of the person and his work. It is basically his calibre, attitude and his commitment that is seen. I have seen people from various castes. Some called from the so-called BIMARU states<sup>5</sup> but they are very active and committed towards their work... So I never thought about caste and creed.

He acknowledges that not everyone shares his enlightened perspective and some actively practice an affirmative form of caste discrimination:

Some owners of Indian companies come from a particular caste and the people who belong to this community may have some kind of positive discrimination. For example, a person who is a thriving businessman is always helped by people from his own caste or community or the kind of friends he has also belong to the same caste.

Yet from his perspective, this is not a modern attitude and it is fading quickly. It is more likely to be found outside the major cities or in rural areas. “Such things are not very strong today”, he explained.

About the impact of these stereotypes in recruitment, I don't think it works. No one recruits anyone on the basis of his caste or the region he comes from if he is not going to be useful.

However, “there are people who are very particular about caste”. They would tend to be people in smaller organisations who are more likely to “belong to the caste of the person who set up the company”. But these practices are going the way of the past because globalisation creates competitive pressures that wipe the conservative or backward practices of the past out of the way.

Hence it is not that casteism or its cousins, in-group preference, have disappeared completely. As this manager sees the matter, an evolutionary trend is in progress. The firms most exposed to international competition and modern management have abandoned these vestiges of discriminatory tradition, while the smaller firms or family firms that cater to local markets are slower to accommodate. It is there, and only there, that these retrograde practices will persist.

The language of merit, the morally virtuous credo of competitive capitalism, subtracts from the conversation the many forms of institutional discrimination and disinvestment that prevent all members of a society from competing on a level playing field. It assumes that we begin from the same starting point (regardless of evidence of deprivation), enter equally efficacious credentialing institutions (despite the clear inequalities in schooling that take a heavy toll on the poor and low caste), and come out ranked objectively in terms of sheer quality.

### III Family Matters

The American language of meritocracy similarly relies on the subtraction of institutional inequality, as well as the ability to overlook the persistent impact of historical discrimination that has left deep tracks in test score gaps or differential educational attainment by race and class [Jencks and Phillips 1998]. Whatever the consequences of these handicaps, the American variant nonetheless clings to the principal that the only thing that matters is individual capacity.

For Indian employers, there is no contradiction between an emphasis on individual merit and notion of valuing “family background”, which virtually every hiring manager emphasised was critical in evaluating a potential employee. This would indeed contradict the idea of “merit” as understood classically in terms of rising above one’s station at birth and one’s family of origin. On this theory, it is no more legitimate to “dock” a job candidate for characteristics of his family then it is to reject him or her on the grounds of race, age, or gender.

What kind of information is an Indian hiring manager seeking when she asks about a candidate’s family background? For some, the concept is amorphous and stretches to include virtually anything that is not directly related to educational credentials or work experience. For others, the idea is quite specific.

The human resources manager of a multinational shoe manufacturing unit, employing nearly 10,000 core workers and 2,000 casual workers, focused on a variety of qualities entirely beyond the control of applicants. “In family background”, he said, “we look at...”. (1) Good background, (2) educated parents, (3) brother and sister working, and (4) preference for those from urban areas.

The ABC firm employs over 20,000 people in over 60 locations throughout India. It has been an important corporation for over 100 years, selling agricultural manufactures, clothing, and paper goods, among other diversified products. The 45-year old brahmin manager of ABC’s HR department was clear that family background and/or the kind of setting in which a candidate was raised makes the difference between success and failure in a job applicant. “We ask them about family background”, he noted, “depending upon the position applied [for] and the kind of task allotted with the position”. The need to prove one’s worthiness through family characteristics was most important for managerial workers, he explained. For lower level

workers, the assumption is that they would not pass muster on these grounds. Instead, they want to know whether a potential janitor (for one of the firm’s hotels) has the same standards as those that the company wants to promote:

Say for example, in housekeeping, we generally avoid keeping people from slum areas because their appreciation for cleanliness will be different from us. For him, a dusty room would also be a clean room. If he is trainable, then there is no problem in taking him into the company. But in the front office we go for trained and professional people and they all belong to higher castes.

Whether or not someone appears to be “trainable”, is judged according to the interviewer’s estimation of how far away from an assumed list of traits, born inexorably out of the “neighbourhood characteristics” of his upbringing, the applicant can be coaxed to come. There is a barrier to be overcome rather than a blank slate on which to build.

Why does family background matter so much? To all our informants, it seemed unnecessary to explain; it is such an important part of the hiring system that the question seemed surprising. But when asked for more detail, respondents answered with a theory of socialisation: “merit” is formed within the crucible of the family. The HR manager of Food Futures provided the most coherent expression of this theory:

As personal traits are developed with the kind of interaction you have with society. Where you have been brought up, the kind of environment you had in your family, home, colony and village, these things shape the personal attributes of people. This determines his behaviour, and working in a group with different kinds of people. We have some projects abroad, and if a person doesn’t behave properly with them, there is a loss for the company. Here the family comes in, whether the person behaves well and expresses himself in a professional way, for a longer term and not for a short term. This is beneficial.

What one sees on the surface – credentials, expressed attitudes – is shaped in the bosom of the family. For the hiring manager who cannot delve deeper into the character of the applicant beyond surface characteristics, the successes of the rest of the job applicant’s family stand in as proof that the individual before him is reliable, motivated, and worthy. If the answers do not come back in a desirable form, the surface impressions may be misleading. Doubt is cast on the qualities of the individual.

Jatin, the hiring manager of a major manufacturing firm that employs over 2,800 people to produce some of the finest jewellery in India, echoed this sentiment in explaining what he learns from answers to questions about family background:

We also ask a lot of questions related to family background. Questions like how many family members are there, how many are educated, etc. The basic assumption behind these questions is that a good person comes from a good and educated family. If parents have good education, the children also have good education. Some questions about their schooling...and the locality where they [grew up].

As these managers see it, background characteristics of this kind are the source of “soft skills” that are an asset to the firm. The person who can manage adroitly in the organisational context of a firm hierarchy in India and abroad is going to contribute to the bottom line and the person who has trouble in these interactions will detract. But the surface evidence of soft skills is difficult to judge in an interview and by the time it matters, managers seem to believe, it would be too late if the judgment of the hiring manager at the outset has been faulty.

Hence, they search for additional information to short up their estimation of an applicant's personal qualities and find it in the "data" on family background.

This practice of screening applicants based on family background, almost by definition will create employment barriers for dalits, OBC's and others for whom historic (and contemporary) patterns of discrimination have made it difficult for family members to assemble desirable educational or occupational biographies. Of the 160 million dalits in India, the majority are rural, landless labourers. Even those living in towns and cities are more likely to be employed in the informal economy and their children invariably go to state-run non-English medium schools.

If dalits are too lowly, the scions of very rich families are considered bad material for employment for the opposite reasons. As the HR managers see it, they are pampered and lazy and accustomed to getting jobs on the basis of connections alone. In the competitive world of global capitalism, this will not do either. Khurana, of the Security Services Inc told us that a job in a security agency is not very exciting for somebody coming from a high profile family. Hiring them would not be a wisething as they are unlikely to stay with the firm for long.

A car manufacturing firm, now half foreign owned, employs 3,800 workers in one plant alone. It is in the process of building another and hence has been recruiting new workers of late. What do they look for in a new employee? "First is the qualification and relevant background", the HR manager explains. "If the person frequently changes jobs, he is not preferred". But this is not sufficient. One must be willing to work hard and that is a quality which this manager believes is absent in those at the top of the social structure:

We judge and prefer a person who is humble, not aggressive, and open to all... We see the family background. People who come from high profile are not preferred as they have an inner pride within them which makes them arrogant. People from the middle classes are preferred.

Of course, the cost of exclusion for someone from the upper registers is not nearly so punishing as it is for those at the bottom. Nonetheless, it is important to recognise that the meritocratic model which places "family background" in a central position favours those industrious members of the middling classes and makes life harder for those at the very top and the very bottom.

#### IV Regional Stereotypes

Closely linked to ideas of family background and the implications they have for the exclusion of dalits and other marginal groups of Indian society are pronounced regional stereotypes. Not only do HR managers have firm ideas about the qualities that different regions inculcate in their inhabitants, they worry about the social consequences both of throwing workers together in unbalanced combinations of antagonistic local groups or about the opposite: solidarity within the workforce, based on caste, tribe, or village membership, in the service of opposition to management.

The Kilim Chemical Company is a family owned business founded 45 years ago to supply caustic soda to the aluminum manufacturing industry. They run manufacturing firms in remote regions of India where the raw materials are extracted so and refined. Kilim has over 1,000 core workers on the payroll, and in addition employs thousands of seasonal workers who

are involved in salt manufacture, an essential element of caustic soda production. According to the story of the HR manager, an economist employed by the firm for two years, the firm is very stable. "We have extremely good industrial relations", he explained. "We have never had workers going on strike".

The firm is "widely recognised for [its] generosity... there are people who have been working here for 20 years, 25 years and 50 years." As is typical of many family firms, a paternalistic relationship exists between the owners and the community surrounding the manufacturing plants.

[The owner] has a bungalow in [the township where the plant is located]. He goes there every two, three months for visits and then goes around the place. So everybody knows who he is. He is a 'Mai-Baap' [mother-father] but in terms of welfare.

Though described as a shy man, the owner nonetheless makes a habit of turning up at village weddings to make contributions to the bride's father. In this respect, the firm is a kind of family, with obligations that stretch beyond the work world to the private sphere of kinship and household. Given this kind of integration, it is perhaps not surprising that the professional management can rattle off images of local ethnic groups that are strikingly categorical. "Are there any kind of stereotypes about labour?" we inquired. "I understand what you're talking about", the HR manager replied.

Now it is a little impolite thing to say on a tape recorder. There is a great deal [of stereotyping] about Uttar Pradesh people. There is a constant mimicking of Bihari labourers. Lazy guys, come in drop in without work, you know, but we have no choice, we have to work with those kind of people, rather than people from Gujarat and Maharashtra... I can manage with these people, but in casual [conversation] we say he is so laid back. We have to adjust. The work I expect to be done in three minutes would probably take an hour and a half, but it will get done.

National Airways, a private airline employs nearly 8,400 workers including those on regular and contract hiring agreements. Their core workforce tends toward management and high level jobs, including pilots, air hostesses, and the like. Low level jobs like loaders, cleaners, data entry operators and sweepers are almost entirely contracted out, a common practice in Indian firms. A self-consciously modern firm, National Airways maintains a web site for employment applications, their preferred recruitment method.

When asked about the kinds of workers they employ with respect to background, region, or religion, the HR manager was completely open about the fact that they select on appearance, fluency in English, and cultural sophistication. "This is a service providing industry", Jagdish explained. "We need good people, people who have some style and looks".

A stylish guy, who also communicates well, speaks good English, who is well educated, well grown and who comes from a particular "class" is preferred. So we do not recruit anyone and everyone. We have identified some regions and communities from where we get people. Say in north India, Punjabi culture is very open; their faces have glow... But that is not the same case with Haryana culture, Uttar Pradesh or Bihari culture. They are not good for us. Their cultures, their way of speaking and dealing with others would not work in our company or this industry. They don't have that openness... A majority of Air hostesses come from Punjabi families, as they are open. They can speak or communicate well. Some of them are from the north-east.

Jagdish went on to explain that National Airways likes to recruit "sardar" (Sikh) girls, who are also well spoken. But they

are not interested in just any sardar. Instead, they specifically seek out “those who come from good families...”

Sardar girls won't speak well if they come from Himachal Pradesh. They may not be cultured.

Physical appearance is integral to his image of the right kind of employee for National Airlines. He has very definite ideas about where one finds people with the right features, the requisite “glow on their face”.

Frankly speaking, people from urban areas are preferred more than those coming from a rural area in this company, because that rural mentality does not suit us and the company.

He is of the view that girls whose fathers are in the military are a particularly good bet for jobs in the airline industry. “People who come from this particular culture”, he notes, “have a tendency to come together and work for the company”.

Security Services, discussed earlier in the context of family background, combines views about the appropriateness of particular regions as a source of employment, with a straightforward caste bias. Recruiting in rural areas, where labourers move in and out of agricultural labour and seasonal employment with firms like this one, they have become acquainted with the STs in the region. They know that when the harvest season arrives, their workforce will disappear for a month or two. But this varies by region and the HR manager has developed very strong views of who will work and who will flake out:

If we go down to the south, say Chennai, Bangalore...that part of the country has a different attitude and they work much better. Basically it is the culture of the area. The feedback from the customer is that the service in those regions is much better. If I go to Noida area (in Uttar Pradesh), the social system is not balanced. If I go to Gurgaon, it is the most horrifying because of the concentration of jats there. They are very arrogant. In India, this is the community which is most unsophisticated. The most rough community is the haryanvi community. They don't understand logic, their blood starts boiling fast. In terms of discipline, commitment and confinement to rule, I find it is least in these people.

India Motors, an automobile manufacturer is a multinational firm, jointly owned now by one of the major Japanese firm. Two production firms in the NCR have been in operation for more than 20 years. Nearly 4,500 workers are listed on the India Motors payroll, but the actual workforce is nearly double that number, since contract employees are brought on as ‘temps’. The senior HR manager, Vincor, who had been with the firm for 15 years, explained that the workforce that mans the plants is dominated by the indigenous peoples of the area:

The social profile of labour varies significantly in the two plants. The first plant in Dharuheda is dominated by the labour from nearby villages, which means they are mostly from Haryana. Since they were recruited from available labour locally, they are not very educated. In fact most of them were trained by us.

Caste plays an important role in organising the rural labour force. As Vincor explained, even the unions are structured by caste:

Nearly 450 workers [in the first plant] belong to the local dominant caste of jats and another 250 to 300 come from another dominant caste of ahirs. Around 100 to 150 would be from different backward castes. Our workers are also organised on caste lines. Trade union elections are mostly on caste lines.... The jat group is arrogant. They do not listen to any one. Ahirs are tamed. Brahmans are more learned and they speak well and schedule castes are not vocal.

These are not neutral observations. The social organisation of caste provides a platform for collective grievances and the firm has been on the receiving end of labour actions that can be more easily organised given the caste lines. “At times they are very aggressive”, Vincor complained. “We have seen a lot of bad phases, strikes and lock outs”.

The firm tries to temper the power of ethnic/caste based organising in two ways. First, the firm's owner maintains a paternalistic relationship that they hope will cut through these solidarities and engender loyalty to the firm. As part of its civic relations, India Motors builds hospitals, schools, tube wells, eye camps and health camps. Between the personal gestures to family members and the infrastructure the firm provides, the link between worker and firm tightens into a dependency. Second, they no longer recruit workers from only one region.

If we recruit 50 people, not more than 10 to 12 local jats are recruited and the rest should be from diverse background. We need a loyal and obedient workforce. People who will listen to us and work religiously.

In their second plant, India Motors made sure that the workforce was ethnically diverse. This ensures that no single group dominates, and the labour relations are more professional and less personalistic. Vincor regards the second plant as more modern, closer to the rest of the world economy, in part because of its more impersonal labour practices. The language of globalisation, which equates patrimonial bureaucracy and ethnic or caste-based hiring with the past, favours formal mechanisms for hiring rather than personal networks, meritocratic principles (albeit in the context of “family background”), and national rather than local recruitment.

The flip side of caste prejudice is a preference for specific groups, regional ethnicities, and religions, based on the view that they are particularly suited to a given occupation. Fitness Health Corporation employs about 4,000 people in northern India, while another 1,800 workers – ranging from “ward boys, to nurses, cleaners and receptionists” are contract workers. Fitness is a new industry of private health providers that caters to relatively wealthy families. They are particular about the people they hire because they are serving an elite clientele.

The majority of our employees are local, mostly north Indians. We have peoples who have migrated from Noida and Gaziabad. However, most of our nurses are females coming from south India, especially from Kerala (Malu Christian girls)... they are better in knowledge than other girls and this is because they are doing the job from generation to generation and the knowledge is passed from one generation ...to another. Higher caste people are reluctant to send their daughters in this nursing profession. They think that this is not a good profession, looking after the patients, cleaning them and other things. The nurses [we hire] are mostly Christians, must be converted (from low caste [Hindus]) or born Christians. They generally don't belong to scheduled castes.

One could argue that this manager is merely describing a labour migration flow rather than unveiling a preference that affects who the firm will hire among those who present themselves as applicants. There hardly seems to be a difference in practice. Fitness Health searches amongst the groups it sees as “fit” for the job and neither looks nor easily entertains others.

Such a preferential policy often exists side by side with a bright line that excludes those who do not fit these stereotypical expectations. For Fitness Health, this clearly includes dalits, who need not apply. “Among SCs”, the manager explains, “there is a lack of technical skills. And their attitude is unmatched for

the company". Is this an unfair, an example of bigotry? "No", she insists. "We have no prejudices about SCs and Muslims. This is a mind set issue".

## V Reservations

The proposal to introduce reservations in the private sector was uniformly opposed by the human resource managers interviewed for this study. Not one in the entire portfolio of research subjects had anything positive to say about quota based hiring. Ultimately, their objections trace back to the first topic raised in this paper: the relationship between modernity and meritocracy. The future of the Indian economy, they argue, lies in increasing productivity and this, in turn, requires that each firm permit the "creamy layer" to rise, while the incompetent fail and disappear. There should be little need to justify this perspective, as the employers/managers see the matter: it is the natural way of Adam Smith's hidden hand, the only means to achieve the greater good.

From the perspective of HR managers, reservations policy inserts ascriptive criteria into the hiring process and short circuits the competitive processes essential to the market. This path leads to the ruination of India's economy and hence the policy must be stopped dead in its tracks. Interference in the name of social engineering will ultimately defeat the purpose of national growth, and the loss of international investment that would accompany quota regulations would strip the whole country of the capital it needs.

Beyond this general attack on reservations, there are a variety of sub-themes worth exploring for the images they generate of the underlying nature of low caste workers. The first is the view that discrimination is not a problem at this stage in the development of India's labour market. It might have been an issue in the past, but India has turned a corner and as a modern nation no longer thinks in terms of caste at all.

"I haven't come across any instance where a SC has been denied a job because he is a scheduled caste," the director of a waste management company explained.

Nobody can do it. Even in the private sector. Private sector is more concerned about its profit and production. If someone is an asset to them, he or she is accepted....If a schedule caste person comes to me and he is brilliant, I will employ him.

Confidence in the basic fairness of the employment system was echoed in our interview with Palin, the manager of a large retail firm started 15 years ago to supply the growing Indian market for household products. When asked whether reservations were a good idea or a necessary practice, he answered that "if a person is capable enough, he or she doesn't need reservations. There are enough jobs in the market; one can easily achieve what he wants..."

Virtually every interview we collected included a statement to the same effect. Yet, managers are aware that inequality is persistent, that low caste individuals have less opportunity than others in the labour market. Few would argue that this state of affairs comes about just because talent is differentially distributed. Instead, they suggested that a human capital problem created by an educational system that disadvantages dalits and OBC's has produced a talent deficit in this population. The hiring manager for Global Productions insisted that unequal education is the root of the problem. When asked why it was

that dalits are virtually never employed in top private sector jobs, she responded:

I haven't thought [about] it that way. I don't think that it is true [that discrimination is at work]. I think it could be a lot to do the way our society has developed. There could be a possibility that because dalits are economically weaker, so they haven't gone to best schools and colleges. That could be a reason. But if you have a level and a degree, no one can stop you.

Hence, the explanation for poverty and disadvantage in the lower castes has shifted away from the pollution taboos and enforced exclusion; towards the institutions that certify talent. Almost down to each person, the view among employers is that education – not affirmative action – is the key to uplifting the low caste population.

And here, some would admit, India lags behind. It has not invested as heavily in education as it needs to do and should feel some obligation to remedy the problem. Dalit students attend inferior schools and this, business leaders agree, needs to be addressed. Pradeep<sup>6</sup> Wig, the Owner of Kwaliti Ice Creams is the author of an important report from the business community submitted to the prime minister in July of 2006.<sup>7</sup> Wig, concerned that the government would even contemplate the idea of extending reservations to the private sector, likens the idea to the confiscation of private property.

What, then, is the appropriate diagnosis and remedy? "Frankly, corporations have no solution to the problem", he explains.

We cannot progress in this regard (equal hiring) unless there is integrated schooling in India. In countries like US, where you have integrated schooling, the young people grow up together. For 15 to 20 years of their life, they have been together in the school despite the difference of colors... Industries have little role to play. One should not have more expectation from industry.

Hence investment in education and encouraging integration to break down barriers that divide Indians by caste will pay off in levelling the playing field. Then, and only then, can business be expected to show equal hiring rates, because it will be choosing from among equally qualified applicants.

The manager of Security Services also made a similar point. "In my perspective", he explained, "elementary education has to be strengthened".

Any parent who doesn't send their children to school – the road side beggar, the street children – they should be provided with primary schooling and it should be strengthened. They should be rigorous at the primary level; there should be standardisation of education. Instead of giving them reservations in jobs and compromising merit, provide them with elementary education... Give them extra slots in schools, their personal grooming, overall personality development, personal education. But (if we go) beyond this point, the country will go to hell.

His counterpart at the India Shoe Company echoes the same notion:

We do not support reservation. Productivity will suffer and the company will suffer. The scheduled castes should be given opportunities in education and after that, they should compete on their own. ... There should be no reservation for any category of population in education either.

What are the pitfalls of insisting on reservations for the moment? Here a litany of problems emerge. First, employers argue, acquiring a job through a reservation policy destroys

the incentive to be productive. The Kilim Chemical Company HR manager is certain that anyone who gets a job as a consequence of government-induced social engineering will behave as if there is no relationship between performance and his ability to hold on to the job. He will take the position for granted and underperform. "In a corporate environment", he explained, "(reservations policy) is disastrous because people use it as a trick".

People take advantage and do not do any work... This guy, like he says, because I am a scheduled caste I will get away with anything that is not acceptable and it happens. That's number one.

This manager worries that grievances will follow if a SC person is passed over or not hired, not unlike the problems he encounters with trade unions who he thinks make trouble when they do not get what they feel is their due. The trouble brings production to a halt and ultimately costs the company.

Indian employers complain that reservations will incline low caste workers not to work as hard as they would if they had to "earn" their job and worry about whether they can retain it. Multiply that times the millions of workers who would come into their organisations by virtue of quotas and, they argue, the productivity of their firms would collapse.

The assumption at work here is that the purpose of reservations is not to level the playing field or permit a deserving dalit to gain a job he would otherwise be denied for reasons of prejudice. Instead reservations represent a political victory that enables the unqualified to game the system, forcing firms to permit indolent time-servers into a labour force that is scrambling to meet production targets.

For further proof of the damage reservations would do to firm competitiveness, employers point to government organisations in their own fields. India has had public hospitals for many decades. The employment manager of Fitness Health, a private healthcare firm that operates hospitals for paying customers, looks upon his "competition" with contempt and believes that if his firm was forced to comply with reservations policy, they would end up in similar condition:

If there [were] reservations in this company, nurses and ward boys won't work and pay less attention to patients. See what is happening in government departments. Incapable people are pushed in and ultimately we all lose. These people do not work hard. They enter with low [grades]. Our job is very technical and incompetent people cannot be relied upon to [do] such work. There is no place for poor education and technical skills in our institution. Our company will resist any kind of caste based reservation.

According to these employers, not only does reservation policy let the SC beneficiary off the hook, it has the potential to spread a watered-down work ethic to others. Or so the manager of Global Productions explains. "What has the reservation system done to India's education system?" we inquired. "Somewhere it affects the people who work hard. It de-motivates them."

Dalits fail under reservations, we were told, in part because they have internalised the negative expectations that underlie the policy. As one respondent said:

They have already accepted that they are smaller [less capable] than the high caste people... They have a low confidence level. I had one person from SC background; he is a scared fellow. Doesn't even speak with me. They are so much oppressed that he doesn't even question me.

Here employers reflect an acquaintance with the position taken by some American black conservatives that affirmative action casts doubt on the capabilities of its beneficiaries, as well as race-mates who compete and succeed without any assistance from social policies. This view posits that white students or employees in American schools/firms come to see african americans in their midst as unqualified, able to gain entry to elite institutions only with the special help of a selection system that gives them preference for ascriptive reasons. Conservatives like Ward Connerly<sup>8</sup> go on to argue that these preferential admissions policies undermine the self-confidence of minority students who come to believe that they are not really good enough to be in elite institutions. If the policy is dismantled, the only people who will be admitted are those who meet universal standards.

Finally, we also encountered the popular middle class argument that reservation policy serves only a small creamy layer among the dalits. The HR manager of Best Steel Company who has worked in both the private and public sector was of the firm opinion that reservation policy is a disaster because it has become the preserve of one class of dalits:

It is high time we should get out of [the quota system]. We must stop this. No one should avail of such a facility. It has become a privilege for them. Father was taking it; then his son; and now his great grand son It then becomes institutionalised. Government should stop it. Only the urban dalits take the benefit of it and [the] rural class is kept deprived.

For all of these reasons, it would appear that the reservations policy is a complete "no go" from the corporate perspective. In the 25 interviews we have, there was not a single supporter of the idea. At most, hiring managers were willing to support policies of educational investment, scholarships to reward deserving students, as a means of encouraging meritorious behaviour and the future benefits that are presumed to go with high achievement.

## VI Concluding Comments

The language of meritocracy has spread around the globe along with the competitive capitalism that gave birth to it. Largely gone is the notion that patrimonial ties, reciprocal obligations, and birthright should guarantee access to critical resources like jobs. That ascriptive characteristics continue to matter – now dressed up as "family background" rather than caste – hardly causes the managers we interviewed to skip a beat. They are convinced that modernity is the future of their firms and the future of the country. It calls for the adoption of labour market practices that the advanced capitalist world embraces, and a blind eye to the uneven playing field that produces merit in the first place.

What are the consequences of this cultural shift, of the spread of a common language that resonates with moral precepts of fairness, level playing fields? Can one argue against meritocracy in the modern world? Two responses come to mind. First, as we have suggested in this paper, the belief in merit is only sometimes accompanied by a truly "caste blind" orientation. Instead, we see the commitment to merit voiced alongside convictions that merit is distributed by caste or region and hence the qualities of individuals fade from view, replaced by stereotypes. Under these circumstances,

one must take the profession of deep belief in meritocracy with a heavy grain of salt. Anti-discrimination law is required to insist on the actual implementation of caste blind policies of meritocratic hiring and, we submit, to question the common and accepted practice of assessing family background as a hiring qualification, for it may amount to another way of discovering caste.

Second, the findings in this paper return us to the question of how merit is produced in the first place. The distribution of credentials, particularly in the form of education, is hardly a function of individual talent alone. It reflects differential investment in public schools, healthcare, nutrition, and the like. Institutional discrimination of this kind sets up millions of low caste Indians for a life time of poverty and disadvantage. As long as the playing field is this tilted, there can be no real meaning to meritocracy conceived of as a fair tournament.

This is not to suggest that a commitment to competition is, in and of itself, a bad idea or a value to be dismissed. It is a vast improvement over unshakeable beliefs in racial, religious or caste inferiority, for it admits of the possibility that talent is everywhere. Until the day that institutional investments are fairly distributed, policy alternatives will be needed to ensure that stereotypes do not unfairly block the opportunities of low caste Indians and rural job applicants. [EW](#)

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## Notes

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- 1 An exception would include Philip Moss and Chris Tilly (2003). For a perspective of employer attitudes based on survey research, see Harry Holzer (1999).
- 2 The smallest of the firms has only 135 core employees, while the largest has approximately 1,00,000 (see the table). They range from manufacturing – still heavily represented in the city of Delhi – to service firms, especially hotels and restaurants. Many of the firms were founded as family enterprises and some still are. A number began as British owned production companies in the colonial era, transferred to Indian management after Independence and have now been absorbed into multi-national firms. Most were family run firms that have now transitioned to what interviewees refer to as “professional management”, by which they mean that network based hiring has declined in favour of more formal sources of recruitment, including web sites, newspaper advertisements, on campus interviews, and “headhunters”. These avenues do not entirely preclude the exercise of personal ties, as we shall see below, but it has become a matter of pride to move away from total reliance on “in group” recruitment as the former is regarded as too traditional, while more formal and open routes have been deemed more modern. Hiring managers often do not know exactly how many contract or temporary workers are employed by their own firms, particularly if they are spread out all over the country. Hence, it could easily be the case that the total workforce of these firms is closer to 3,00,000 than the 2,10,000 we can total up. But the data on the demographics of contract labour is less reliable by far than what we have on the core labour force and, in any case, the hiring managers who participated in this study are not responsible for actual hiring decisions where contract labour is concerned. This is an important limitation, though, because for many low skilled dalits, the opportunities provided by contract positions is undoubtedly more important than the positions that are at issue for the core labour force.

**Table: Firm Type and Size**

Firm Type	Number of Core (and Contract) Employees
Construction	8,000
Hotel	550 (100)
TV and Magazine	700
Auto manufacturer	4,500 (3500)
Shoe manufacturer	10,000 (2000)
Daily newspaper	3,000 (800)
Chemical company	1,100
Tobacco manufacture/hotels	20,000
Healthcare	4,000 (1800)
Steel manufacturer	11,000 (10,000)
Food processor	150
National airlines	6,000 (2400)
Security firm	1,00,000
Alternative medicine	3,000
Air conditioning manufacture	300 (700)
Courier/cargo	no data
Public toilet placement/cleaning	3,500
Retail home furnishings/clothing	no data
Hotel	1,000 (100)
Automobile manufacturing	7,000 (42,000)
Watch manufacturing	2,800
Hotel/restaurant/food processing	2,000
Ice cream manufacturer	no data
Communications/video	800
E-commerce	135

- 3 See paper by Sukhadeo Thorat and Paul Attewell in this issue of *EPW*. It is more likely the case that employers and hiring managers overstate the degree to which bias influences hiring than overstate it. As Pager and Quillian show in a comparison of results from an audit study and a telephone survey of the same employers, those who indicate an equal willingness to hire black and white ex-offenders actually display large differences by race in audit experiments where they are given an opportunity to consider matched pares differentiated only by race [Pager and Quillian 2005].
- 4 All company names have been changed and identifying details modified slightly to protect the privacy of the firm and that of our interview subjects.
- 5 BIMARU is an acronym coined by demographer Ashish Bose to refer to India's less developed states of Bihar, Madhya Pradesh, Rajasthan and Uttar Pradesh. The word Bimaru in Hindi means someone who is perennially ill.
- 6 This is the only participant in our project whose real name is being used here because he is speaking as a public figure, the author of a major government report, rather than as a business owner whose hiring practices are at issue.
- 7 ASSOCHAM report on *Concrete Steps by Indian Industry on Inclusiveness for the Scheduled Castes and Scheduled Tribe*, submitted to the prime minister of India, July 27, 2006.
- 8 The former regent of the University of California who has sponsored successful ballot initiatives to make affirmative action by race or ethnicity illegal, on the grounds that it diminishes the confidence of minority students, causing them to question the legitimacy of their own achievements (as well as the illegitimacy of policies that are not “colour blind”).

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